

City of Saint Paul
2005 Adopted Budget

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Prepared by:

Office of Financial Services
160 City Hall
15 West Kellogg Boulevard
Saint Paul, MN 55102-1658
(651) 266-8797

Website: www.ci.stpaul.mn.us

Matt Smith, Director

Peter Butler, Budget Analyst
Scott Cordes, Budget Intern
Dede Demko, Budget Analyst
Ron Kline, Chief Budget Analyst
Barb Renshaw, Senior Budget Analyst
Eric Willems, Senior Budget Analyst

The staff of the Office of Financial Services would like to give special recognition to the Office of Technology IT staff, especially Ruifen Zhuang, for all the work and dedication that has been provided in assisting the Office of Financial Services with the conversion of the budget system.

Description of Saint Paul's Form of Government

The city charter provides for a municipal corporation governed by an elected chief executive, the mayor, and an elected legislative body, the city council. The form of government is commonly referred to as "strong mayor-council." Elections are held in November of odd-numbered years, with a four-year term for the mayor and four-year terms for councilmembers. Each of the seven councilmembers is elected from a separate ward; the seven wards are approximately equal in population.

The mayor recommends appointments for department/office directors and members of boards and commissions for council approval, and is responsible for the direction and control of departments and offices. The mayor recommends policies and budgets to the city council. The mayor exercises all powers and performs all executive duties given by the city charter, city ordinances and state laws. The mayor has the authority to veto council actions. The council can override the mayor's veto with a minimum of five votes.

The council is the legislative body, setting policies by enacting ordinances and resolutions. It can monitor and maintain liaison with community groups to assure adequate citizen participation. The council analyzes, adopts and monitors the city budget. Councilmembers prepare and promote the city's legislative program. They serve on boards and commissions of certain intergovernmental agencies.

Elected Officials

Office	Name	Term Expires
Mayor	Randy C. Kelly	01-01-2006
Councilmembers:		
District 1	Debbie Montgomery	01-01-2008
District 2	Dave Thune	01-01-2008
District 3	Patrick Harris	01-01-2008
District 4	Jay Benanav	01-01-2008
District 5	Lee Helgen	01-01-2008
District 6	Daniel Bostrom	01-01-2008
District 7	Kathy Lantry	01-01-2008

Appointed Officials

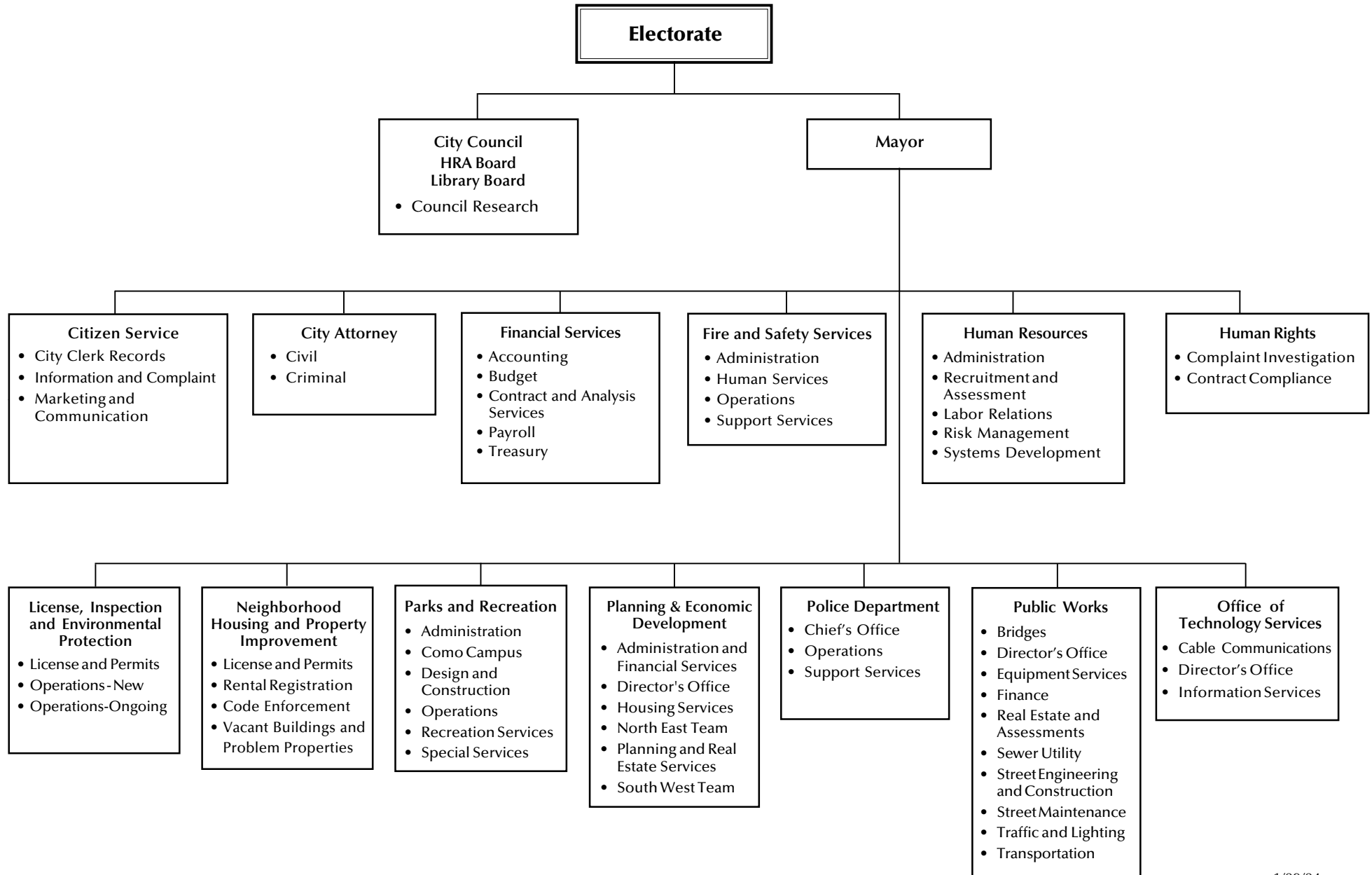
Department/Office	Director's Name	Term Expires
Citizen Services	Donald Luna	*
City Attorney	Manuel Cervantes	*
Financial Services	Matt Smith	*
Fire and Safety Services	Doug Holton	2009
Human Rights	Tyrone Terrill	*
Human Resources	Angie Nalezny	*
License Inspection Environment Protection	Janeen Rosas	*
Mayor's Chief of Staff	Dennis Flaherty	*
Neighborhood Housing Prop Improvement	Andy Dawkins	*
Parks and Recreation	Bob Bierscheid	*
Planning and Economic Development	Susan Kimberly	*
Police	John Harrington	2010
Public Libraries	Gina LaForce	*
Public Works	Bob Sandquist	*
RiverCentre	Eric Willems	**
Technology	Karen Johnson	*
Regional Water Services	Steve Schneider	

* Serves at pleasure of the Mayor

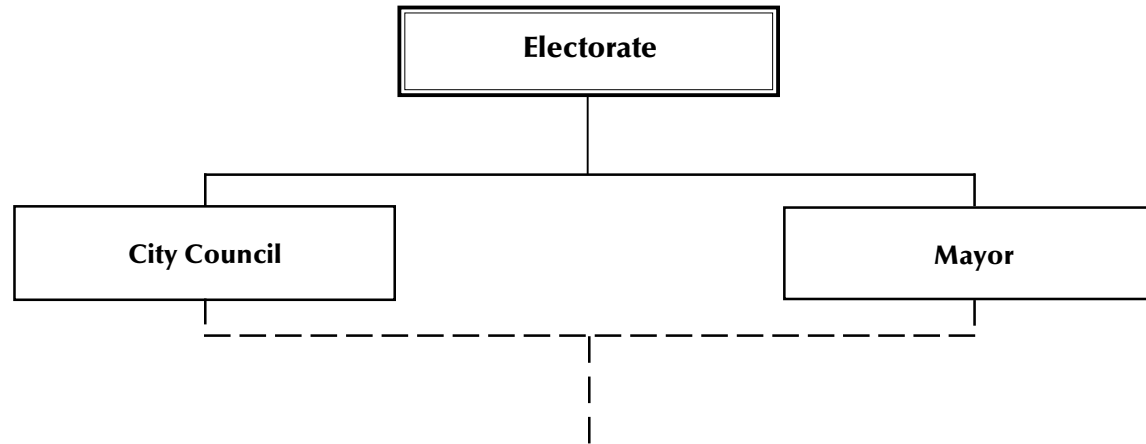
** Serves at pleasure of RiverCentre Authority

City of Saint Paul, Minnesota

(Form of Government: "Strong" Mayor, with Seven Councilmembers Elected by Ward)



City-Appointed Boards and Commissions



- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • Advisory Committee On Aging • Saint Paul Airport Relations Council • Bicycle Advisory Board • Business Review Council (BRC) • Cultural Capital Investment Program (Cultural Star Board) • Police Civilian Review Commission • Saint Paul Civil Service Commission • Saint Paul Civil Service Commission Alternates • Fair Housing Council • Saint Paul-Ramsey County Health Services Advisory Committee | <ul style="list-style-type: none"> • Heritage Preservation Commission • Ramsey County / City of Saint Paul Homeless Advisory Board • Housing Authority • Saint Paul Human Rights Commission • Long-range Capital Improvement Budget (CIB) Committee of Saint Paul • Mayor's Advisory Committee For People With Disabilities • Neighborhood Advisory Committee (Hubert H. Humphrey Job Corps Center) • Saint Paul Neighborhood Network (SPNN) • Neighborhood Sales Tax Revitalization (STAR Program) | <ul style="list-style-type: none"> • Saint Paul Parks and Recreation Commission • Saint Paul Planning Commission • Saint Paul Port Authority • Saint Paul Public Housing Agency (PHA) • Rivercentre Authority • Truth in Sale of Housing Board of Evaluators • Board of Water Commissioners • City-County Workforce Investment Board • Saint Paul-Ramsey County Health Services Advisory Committee • Youth Fund Board • Board of Zoning Appeals |
|--|--|--|

Budget Process

The budget process is designed to conform with state law, the city charter, and the legislative code. The process to develop the budget commences in February.

January - March

The budget for 2004 is finalized during this time. This includes preparing, printing and distributing books reflecting the 2004 adopted budget. The accounting section of the Office of Financial Services prepares the annual financial report for the previous year (2003). During this time, the “base budget” for the upcoming year (2005) is identified.

April - June

Forms, instructions, printouts and the mayor’s guidelines are distributed to departments. These tools are used to plan for and develop operating budgets. Department management and staff identify objectives, performance indicators and the resources needed to accomplish goals. Services are reviewed to determine purpose, need and cost-saving ideas.

Department requests for the 2005 budget are submitted to the Office of Financial Services in June. After that, each department’s budget is analyzed by the OFS budget staff. The mayor meets with the department directors to discuss their needs, and to ensure that budgets meet the service level and taxing objectives that have been established for the city.

July - September

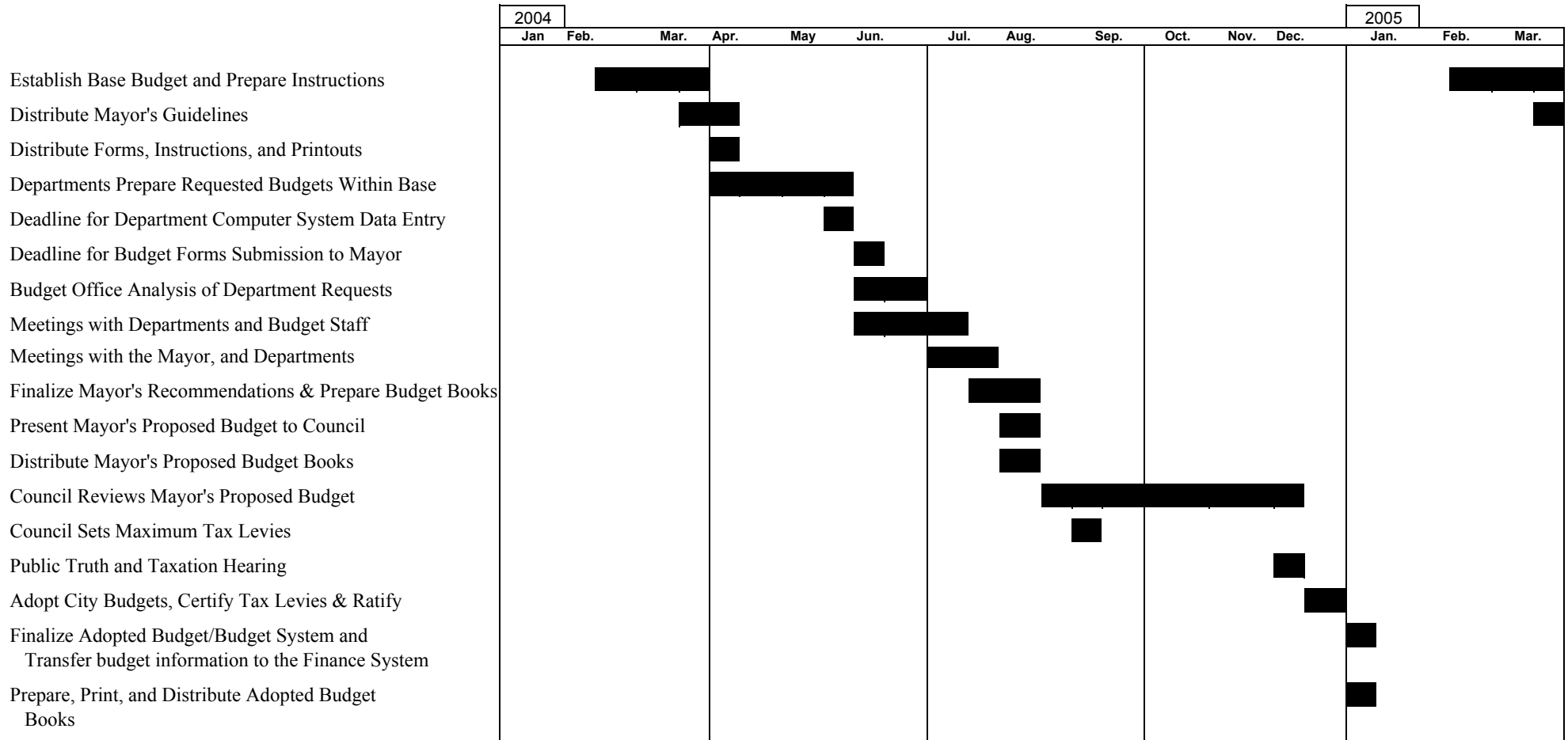
The budget staff finalizes the mayor’s recommendations and produces the mayor’s proposed budget. The mayor then submits the recommended budget to the city council by August 15, as required by the City Charter.

In August, the city council begins reviewing the mayor’s proposed 2005 budget. The council holds meetings with department directors, management and staff to obtain a clear understanding of the department’s goals, service priorities and objectives that are represented in the proposed budget. As required by state law, the city council sets the *maximum* property tax levy in September. Governmental units can adjust budgets, resulting in property taxes that are less than, but not more than, the maximum levy.

October - December

The city council holds public hearings on the budget. Ramsey County mails property tax statements to property owners indicating the *maximum* amount of property taxes that the owner will be required to pay. These statements also indicate when the “Truth in Taxation” public hearings will be held. State law requires the city to hold a joint meeting with the county and school district. This meeting is held in early December. The city council then adopts a budget and tax levy for the city. The adopted budget represents changes made by the city council to the mayor’s proposed budget. The mayor has line-item veto authority over the council-adopted budget.

CITY OF SAINT PAUL BUDGET CYCLE



Highlights and Important Features

2005 Adopted Budget

The 2005 budget for the City of Saint Paul is \$503,343,270. This is the total of the budgets of all City funds: general fund, special funds, debt service funds and capital improvement funds. This is a 3.2% increase from the 2004 adopted budget, with the primary growth in the special funds operating budget. If transfers from one fund to another are excluded and the amount budgeted for approximately one half of the 2005 debt payments is excluded, the City budget is \$435,538,318. The RiverCentre and Water Utility operating and capital budgets, like the HRA and Library Agency budgets, are submitted separately. Therefore, they are not included in this book.

General Highlights:

Property Taxes. The City's adopted tax levy has been held constant, or has been reduced, in each of the last 11 years. The payable 2005 tax levy is the same as the 2004 levy. Therefore, taxpayers will not experience a net levy increase, again for the twelfth year.

Service Charges and Fees. This budget contains a 3% increase in the sanitary and 1.5% increase in the storm sewer fees, as well as a 1.5% increase for recycling fees. The budget also includes the recommendation to include the costs of street lighting as part of the right-of-way maintenance assessment. Additionally, various increases are proposed for license and permit fees to cover costs. 2005 paramedic fees are increased by 10%, raising the fee from \$922 to \$1,014, and providing \$728,640 in general fund financing. Also planned in the budget is a 25¢ per hour increase for parking meters, beginning in 2005. The budget calls for an increase in the continuance for dismissal fee from \$100 to \$130.

Capital Improvement Funding: \$81,719,000. The proposed 2005 capital improvement budget (CIB) provides funding for all capital projects financed with local, state, federal or other revenues received by the City for this purpose.

Significant Department Changes:

Introductions to the general fund (pages 20-23), special funds (pages 30-31), and general obligation debt service funds (page 44) sections of this document detail important features of financing and spending within each of those areas. Significant features of the overall budget are highlighted in those sections.

The Independent Library Agency: State legislation passed during the 2002 session provided the authority to allow the Saint Paul Public Library to become an independent unit, separate from Saint Paul City government. In 2003, the City Council adopted an ordinance creating the independent agency, effective for 2004. In accordance with the ordinance, the Saint Paul Public Library Agency submitted its 2005 budget request to the Mayor, the Mayor presented the Library Agency budget to the City Council, and the Library Board and City Council have adopted the 2005 Library Agency budget. The Library budget is no longer be a part of the City budget, and is not reflected as part of the 2005 City budget in this book.

Content and Other Publications

Information Included

This publication contains information on City of Saint Paul budgets, that is, the operating budgets and debt service budgets. Operating budgets include the general fund and 51 special funds. The capital improvement budget (CIB) is included in a separate document. The Housing and Redevelopment Authority (HRA), Water Utility, RiverCentre, Library agency, and Port Authority budgets are not included because they are separate entities.

Purpose

The goal of this report is to provide taxpayers with an easy-to-use guide to city spending. We have tried to answer the question, “Where does the money go?” by providing tables and graphs to display this information. As a staff, we always struggle with what level of detail to show. If we show too little detail, our publications will not answer the questions people most commonly ask. If we show too much detail, the budget documents become extremely large and expensive to print. Pouring through them can be daunting, tedious and time consuming.

We hope that this summary will help make taxpayers aware of where the city’s resources come from and where they go. By looking at the information, we hope they will see how state revenues and decisions on property tax classification affect local property taxes. They will understand better how the property tax base affects property taxes. And they will see how difficult it is for decision makers to make cuts in the budget without including some of the services taxpayers tell us they hold most dear, such as police, fire, libraries and parks. These services are such a large portion of the budget, they are difficult to ignore. We believe heightened taxpayer awareness of city programs will increase the quality of public debates on spending and taxes and, ultimately, the quality of public policy.

Budgets, Not Spending

Unless otherwise noted, the numbers in this document are *budget* amounts, not actual spending. Actual spending amounts for past years can be found in a publication called the “Comprehensive Annual Financial Report” (see information following).

Other Publications and Information

The Office of Financial Services (OFS) publishes other documents. Each year we publish this summary document to display the council-adopted budgets. Detailed proposed budget information, at the activity and line item level, is also available. However, to keep printing costs down, it is only available on a limited-distribution basis. OFS also publishes a brochure which contains budget data and demographic information. As time permits, we update a statistical summary with trend information over longer periods of time. These publications are available for viewing in Saint Paul Public Libraries, Government Documents Section, or by calling the Office of Financial Services at 651-266-8797. Our website is www.ci.stpaul.mn.us. Some budget documents are available on this web site.

Other publications are listed below. Most of them are also available in Saint Paul Public Libraries. We encourage you to use library copies whenever possible to obtain information, but if you cannot, we have listed publications and contact persons for you.

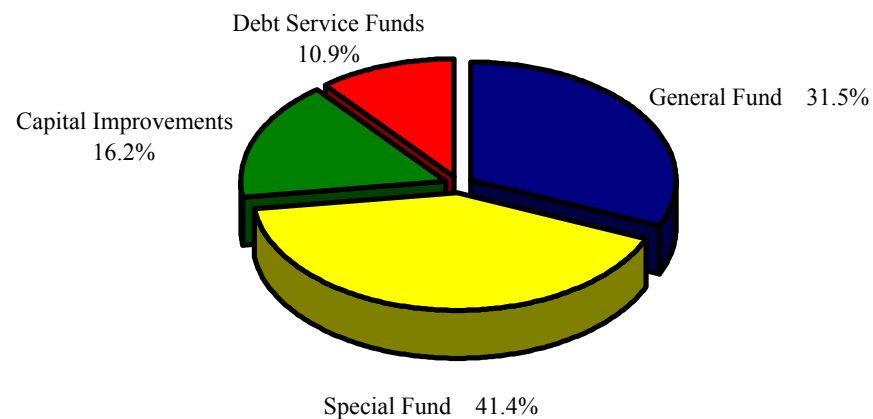
- “Capital Allocation Policy.”
Contact Allen Lovejoy at 651-266-6576.
- “Comprehensive Annual Financial Report.”
Contact Lori Lee at 651-266-8822 or Jose Jovellana at 651-266-8820
- “General Obligation Debt Overlapping on the Saint Paul Tax Base: Five Year Debt Management Strategy, 2001-2005.”
Contact Todd Hurley at 651-266-8837.
- Housing and Redevelopment Authority (HRA) annual budget and the “Comprehensive Annual Financial Report.”
Contact Tom Meyer at 651-266-6667.
- Public Library Agency
Contact Susan Cantu at 651-266-7076.
- Port Authority financial statements and the report of independent public accountants.
Contact Tom Collins at 651-224-5686.
- Regional Water Services.
Contact Ruth O’Brien at 651-266-6322.
- RiverCentre
Contact Eric Willems at 651-265-4822.

Composite Summary

Composite Summary - Total Budget

City of Saint Paul: All Funds			
Composite Plan	2003 Actual Budget	2004 Adopted Budget	2005 Adopted Budget
General Fund (Operating)	164,512,325	154,485,497	158,348,049
Special Fund (Operating)	177,382,793	194,303,841	208,569,685
Capital Improvements	81,008,001	82,965,000	81,719,000
Debt Services Funds	38,566,025	55,760,841	54,706,536
Total Budgets (Unadjusted)	<u>461,469,144</u>	<u>487,515,179</u>	<u>503,343,270</u>
Less Transfers	(32,493,278)	(38,562,709)	(46,978,777)
Less Subsequent Year Debt	<u>0</u>	<u>(21,588,842)</u>	<u>(20,826,175)</u>
Adjusted Financing Plan	<u><u>428,975,866</u></u>	<u><u>427,363,628</u></u>	<u><u>435,538,318</u></u>

Composite Summary - Total Budget 2005 Adopted Budget



Composite Summary - Workforce

City of Saint Paul: All Funds Full Time Equivalents (FTEs)			
Department	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget
Attorney	67.5	65.8	66.8
Citizen Services	12.0	9.0	8.5
Council	29.4	25.5	27.7
Debt Service Fund	2.5	2.4	2.0
Financial Services (b)	27.0	44.2	44.2
Fire and Safety Services	476.5	459.6	464.6
General Government Accounts	1.1	1.1	0.1
StP-RC Health	67.2	64.1	60.1
Human Resources (c)	33.1	31.2	32.9
Human Rights	10.5	7.0	7.2
Libraries (a)	179.1	0.0	0.0
License, Inspection and Env. Protection	114.7	107.6	107.5
Mayor's Office	15.0	14.8	15.0
Neighborhood Housing & Property Improvement	34.8	32.2	34.2
Parks and Recreation	477.5	472.0	532.1
Planning and Economic Development	109.6	91.5	92.2
Police	780.4	745.9	744.6
Public Works (e)	420.1	434.3	435.9
Office of Technology (b, c, d)	122.1	68.2	72.9
Total	<u>2,980.1</u>	<u>2,676.4</u>	<u>2,748.5</u>
Total General Fund	<u>1,957.8</u>	<u>1,658.6</u>	<u>1,684.8</u>
Total Special Fund	<u>1,022.3</u>	<u>1,017.8</u>	<u>1,063.7</u>
(a) Saint Paul Libraries became their own agency (The Library Agency) effective in 2004. It is no longer a part of the City of Saint Paul's operating or debt service budgets.			
(b) Contract and Analysis Services moved from Office of Technology to Financial Services in 2004.			
(c) Risk Management moved from Office of Technology to Human Resources in 2004.			
(d) Real Estate moved from Office of Technology to Public Works in 2004.			

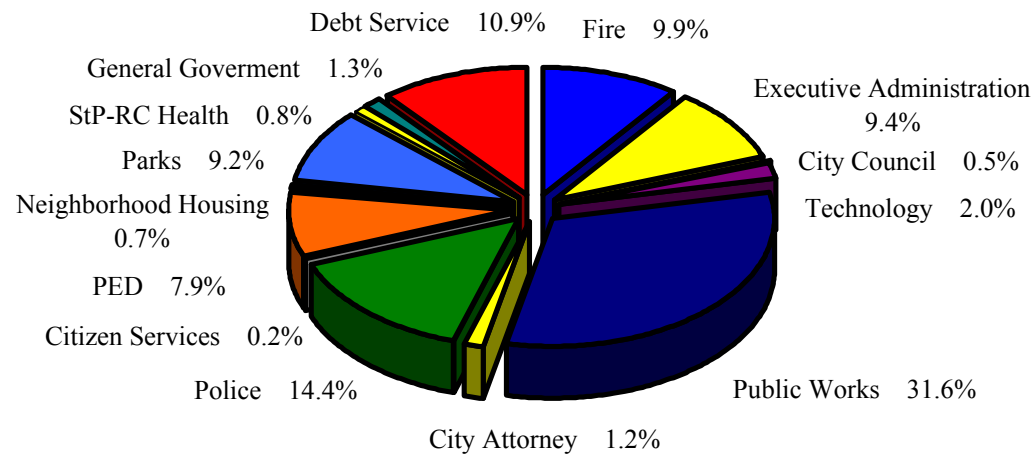
Composite Spending - By Department

2005 Adopted Budget (By Department and Fund Type)					
Department	General Fund	Special Funds	Debt Service	Capital Budget	Total All Budgets
Attorney	5,258,531	971,928			6,230,459
Citizen Services	834,862				834,862
Council	2,262,044	62,005			2,324,049
Debt Service			54,706,536		54,706,536
Financial Services	1,880,514	13,216,676		15,556,000	30,653,190
Fire and Safety Services	42,222,986	3,864,764		3,673,000	49,760,750
General Government Accounts	6,273,396				6,273,396
StP-RC Health		3,997,722			3,997,722
Human Resources	3,123,503	50,000			3,173,503
Human Rights	520,361	79,119			599,480
Libraries (a)					0
License, Inspection, and Environ. Prot.	732,857	10,399,339			11,132,196
Mayor's Office	1,361,039	623,730			1,984,769
Neighborhood Housing & Property Impr.	2,709,743	821,010		200,000	3,730,753
Parks and Recreation	22,435,374	19,172,278		4,890,000	46,497,652
Planning and Economic Development	109,083	20,829,468		18,650,000	39,588,551
Police	60,589,972	11,888,177			72,478,149
Public Works	2,257,436	118,264,162		38,750,000	159,271,598
Technology	5,776,348	4,329,307			10,105,655
Total	158,348,049	208,569,685	54,706,536	81,719,000	503,343,270

(a) Saint Paul Libraries became independent (the Library Agency) effective in 2004 and is no longer a part of the City of Saint Paul's operating and debt service budgets.

Composite Spending - By Department

2005 Adopted Budget



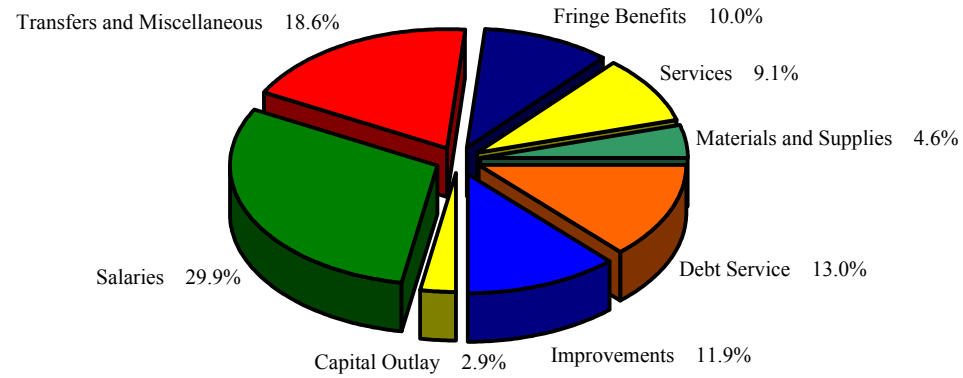
Composite Summary - Spending and Financing

Council Adopted Spending Summary (2005 Spending by Major Object)					
Object	General Fund	Special Fund	Debt Service	Capital Budget	Total
Salaries	96,009,819	54,470,131	131,202		150,611,152
Services	14,358,446	31,609,177	81,982		46,049,605
Materials and Supplies	7,327,070	15,869,367	6,793		23,203,230
Fringe Benefits	31,999,414	18,052,578	40,372		50,092,364
Transfers and Miscellaneous	5,591,032	62,592,409	426,987	24,959,766	93,570,194
Debt Service	1,255,618	9,959,168	54,019,200		65,233,986
Improvements	5,329	3,175,089		56,759,234	59,939,652
Capital Outlay	<u>1,801,321</u>	<u>12,841,766</u>			<u>14,643,087</u>
TOTAL	158,348,049	208,569,685	54,706,536	81,719,000	503,343,270

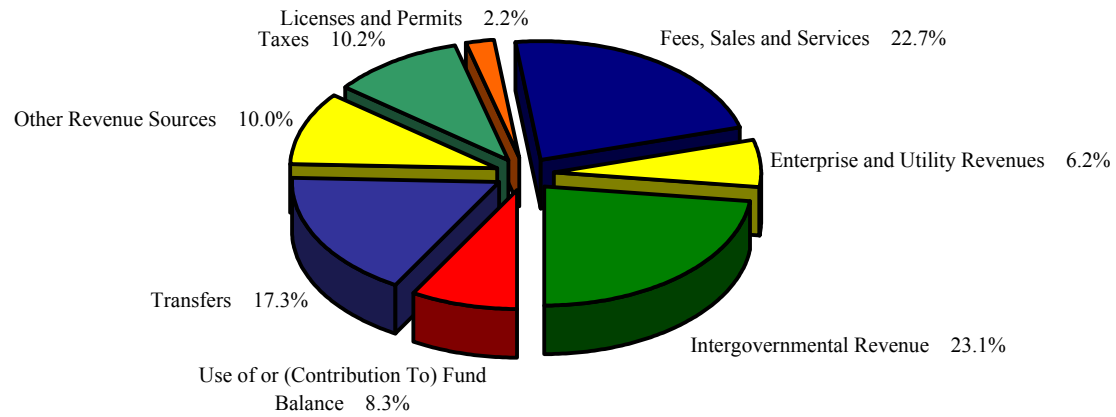
Financing Summary (2005 Revenue By Source)					
Source	General Fund	Special Fund	Debt Service	Capital Budget	Total
Use of or (Contribution to) Fund Balance	6,944,853	12,104,896	23,026,279		42,076,028
Transfers	13,971,909	11,437,800	13,238,587	48,224,000	86,872,296
Taxes	43,245,113	1,773,700	6,271,783		51,290,596
Licenses and Permits	864,443	10,045,459			10,909,902
Intergovernmental Revenue	57,574,719	25,872,467	426,038	32,368,000	116,241,224
Fees, Sales and Services	14,236,716	100,008,435			114,245,151
Enterprise and Utility Revenues	18,532,296	11,978,665	880,000		31,390,961
Other Revenue Sources	<u>2,978,000</u>	<u>35,348,263</u>	<u>10,863,849</u>	<u>1,127,000</u>	<u>50,317,112</u>
TOTAL	158,348,049	208,569,685	54,706,536	81,719,000	503,343,270

Summary - Spending and Financing

2005 Spending By Major Object



2005 Revenue By Source



General Fund

General Fund

2005 Adopted Budget

Purpose: One of four major budget categories, the general fund is the principal financial support for such basic city services as the police and fire departments, parks and recreation, and public works (i.e., streets, bridges, engineering and traffic). The major financing sources for this fund are property taxes, local government aid, franchise fees, and other revenues not dedicated to a specific purpose. The tables and graphs on the following pages detail the spending and financing plan adopted for this fund in 2005.

Financing Highlights:

The major financing sources for this fund are:

- Property taxes - 26.6%
- State aids (incl. Local Government Aid) - 36.0%
- Franchise fees - 11.3%
- Other revenues, aids, and user fees - 26.1%

From 1994 through 2003, the City property tax levy has been kept equal to or less than the levy of the prior year, so other revenues, aids and user fees have financed a slightly larger portion of the general fund budget. In 1994, property taxes contributed to 32.4 percent of the budget and other revenues and fees supplied 12.2 percent. From 1994, through 2002, state aids, at about 45 percent and franchise fees at 10 percent, have stayed fairly consistent with respect to their level of general fund financing. Proportions changed radically in 2003 when significant reductions in State paid aids occurred. Major sources for the growth since 1994 in other revenues have been interest earnings, fine revenues, paramedic fees, and the use of fund balances.

Financing Highlights:

Certified Local Government Aid (LGA): The nature of the state's economy, and the State of Minnesota's fiscal issues has had a tremendous impact on the City's reliance on State provided local government aid to cities (LGA). Reductions in State paid aids began in 2003. Saint Paul's portion of State LGA has been reduced from a certified level for 2003 of \$76,129,865 to a revised level for 2003 of \$63,082,264. St. Paul's LGA has been further reduced for 2004 to \$56,488,168 and for 2005, LGA is expected to again be reduced to \$53,151,835 under State policy enacted by the 2003 Legislature. LGA for 2005 will be \$22,978,030 (30%) below the 2003 certified level. Beginning in 2004, LGA has been split between the City budget (\$48,184,944) and the Independent Library Agency (\$4,966,891).

Property Tax Relief: This budget continues the practice of using a planned portion of the fund balance for property tax relief. In 1994, the Mayor and City council initiated a tax policy designed to keep Saint Paul taxes affordable. Property tax revenues for Saint Paul City government have been held constant, or have been reduced, in each of the last eleven years. The 2005 City levy proposal will continue that trend for a twelfth year. A portion of the city levy and the city levy financing was shifted to the Library Agency budget in 2004, and the practice will continue in 2005. The City and Library Agency will share equally in the burden of any uncollected payable 2005 levy.

Fund Balance: Dollars from the fund balance that have been designated for property tax relief again have been applied to finance this budget and avoid an increase in the City's property tax levy. The planned, regular use of fund balance for the 2005 operating budget remains the same as the 2004 level. The regular amount of fund balance used as financing for the 2005 proposed budget is 3.4 percent of the total budget (city government and library combined). In addition, managed savings from

a spending restraint plan in 2004 will be carried over into 2005 and applied as fund balance financing in 2005. The total amount of fund balance (the regular 2005 amount plus the savings from 2004) used as financing for the 2005 proposed budget is 4.0 percent of the total budget (city government and library combined).

City Franchise Fees: The estimated 2005 financing level will remain the same as in 2004, with the estimate based on original projections adjusted for 2003 and 2004 current collections.

General Fund Interest Earnings: Interest estimates are projected to increase by \$347,000 from 2004 to 2005 based on assumptions of investment balances (including Cultural STAR) and interest rates.

Spending Highlights:

Rate of Growth: Saint Paul's general fund budget has grown by \$3,862,552, or 2.5%, from \$154,485,497 in 2004 to \$158,348,049 in 2005. However, the 2005 general fund budget is still significantly less than it was in 2003. In 2003, the general fund budget was \$163,890,162 (as adjusted for the Library Agency). Saint Paul's general fund budget has been reduced by \$5,542,113, or 3.5%, from \$163,890,162 in 2003 (as adjusted) to \$158,348,049 in 2005.

Wage Increases: Salaries and benefits are the most significant cost in the City's operating budgets. The 2005 base budget includes planned salaries and the anticipated growth in the city costs of employee insurance and other fringes.

City Attorney: The adopted general fund budget is \$5,258,531, a 1.6% increase from the 2004 adopted budget. The general fund budget increased as a result of moving one full-time employee from the special fund to the general fund. This shift provides permanent funding for a Community Prosecutor position which works collaboratively with various city neighborhood groups and is considered an essential member of the community policing team. Additionally, continuance for dismissal revenues are expected to grow by approximately \$139,000 as the result of an increase in the charged fee from \$100 to \$130.

City Council: The adopted general fund budget for 2005 is \$2,262,044, which is a \$45,679 increase from the \$2,216,365 adopted 2004 budget. The 2005 budget proposal includes the addition of a Council Policy Analyst position, funding for an Urban Fellow position and a slight increase in miscellaneous spending.

Citizen Service Office: The budget for the Citizen Services' Office is \$834,862, a 23.3% reduction from the 2004 adopted budget of \$1,089,275. Reductions are mainly in marketing and promotions spending.

Financial Services: The budget for the Office of Financial Services is \$1,880,514, which is a decrease of \$30,571 from the adopted 2004 budget. Spending for a vacant FTE, responsible for Treasury counter work, was eliminated; but spending was added to fully fund the Vendor Outreach Program Coordinator position. These and other changes resulted in an overall decrease of 0.4 FTEs.

Fire Department: Fire's adopted general fund budget for 2005 is \$42,222,986, and is up \$2,389,828, or 6.0% from the adopted 2004 budget of \$39,833,158. The adopted budget increases the 2004 staff complement by adding funding for 5 fire fighter positions in 2005. So, 9 of the 14 vacant fire fighters positions removed from the budget in the 2003 reduction plan are not included in the 2005 budget. The budget will include a 10% increase in paramedic transport rates, raising \$728,640 to support the Fire Department. The transport rate will increase from \$922 in 2004 to \$1,014 in 2005. The cost of an ambulance replacement (\$270,000) removed in 2004 has been added back to the base for 2005. On top of this, an additional amount (\$275,000) has also been added to the Fire Department budget for 2005 to help accelerate the turnover of fire trucks and equipment, and reduce the age of the fleet. One half of the costs for a major test for fire candidates has been included in this budget. \$100,000 of relocation costs related to Fire Station 8 have also been anticipated in the budget. Part of the increase in the 2005 Fire budget is related to a City policy change regarding the direct recording of workers' compensation costs in department budgets for 2005. Inflation on materials, services and equipment was also included in the 2005 Fire budget.

General Government: The budget for the non department related general government accounts is \$6,273,396, a 5.2% change from the 2004 adopted budget of \$5,962,766.

Human Resources: The general fund budget for Human Resources for 2005 is \$3,123,503, and is up \$112,867, or 3.7% from the 2004 budget of \$3,010,636. Overall, staff position FTEs have increased from 31.2 in 2004 to 32.9 in 2005, a change of 1.7 for Human Resources. The workers' compensation administrator has been shifted from the fringe allocation charge into the Human Resources budget, and an employee applicant recruiter position has been added to promote diversity of the City's workforce. One half of the costs for a major test for fire candidates has been included in this budget. To increase department accountability, the budget for the costs of workers' compensation was shifted from the indirect fringe allocation charge as a direct expense into the general and special fund budgets of the department responsible for the action that lead to any claims.

Human Rights: The adopted budget totals \$520,361, and maintains the same staffing level as in 2004.

License, Inspection, and Environmental Protection (LIEP): LIEP's Animal Control Division is its only general fund activity. Animal Control's adopted 2005 budget is \$732,857, and supports the same staffing level as in 2004.

Libraries: The Library budget is no longer included in the City's budget documents. The Library budget will be published as a separate budget book since the Library has become an independent agency.

Mayor's Office: The Mayor's Office budget for 2005 is \$1,361,039, as compared to the 2004 adopted budget of \$1,294,963. This budget provides additional funding for miscellaneous expenditures.

Neighborhood Housing and Property Improvement (NHPI): The adopted budget for Neighborhood Housing and Property Improvement is \$2,709,743. This office's general fund spending budget increased by \$263,166 over the 2004 adopted budget of \$2,446,577. The budget increases were for two Public Works' right-of-way code inspectors and

a new housing inspector. Additionally, \$97,000 of staff costs were transferred to the General Fund from a Community Development Block Grant (CDBG) activity because the staff costs are ineligible expenses for CDBG funding.

Parks: The Parks and Recreation general fund budget is \$22,435,374, and is \$701,722, or 3.2% more than the 2004 adopted budget. This increase is primarily due to the addition of \$575,000 to the utilities budget, including added utility costs for the newly constructed Visitor and Education Resource Center (VERC), scheduled to open in 2005. The City Council added \$85,000 for recreation center hours, so Parks' FTE position count increased by 2.3 rec center leaders. The Parks general fund FTE complement for 2005 is 297.1 compared to 295.2 for 2004.

Planning and Economic Development: In 2004, the City's general fund was eliminated as a financing source to support the PED operations fund. The adopted 2005 budget of \$109,083 consists of an annual \$78,483 repayment to the Community Development Block Grant fund and \$30,600 for Historic Preservation staff in LIEP.

Police Department: The general fund budget for the Police department is \$60,589,972 for 2005, compared with \$57,884,518 for 2004. This is an increase of \$2,705,454. The budget allows for full funding of regular salaries and fringes for 559.0 sworn personnel in 2005, and includes the addition of \$1,156,209 for a tentative contract settlement package, \$19,606 increase for overtime, and the planned transfer of a 0.6 FTE police officer from the Police Assets fund to the general fund. The Police Department also limited the increase of the budget by: holding back on the inflationary growth to its services, materials and equipment budget line items; recognizing that some savings will be generated through attrition; and realizing savings from the lease-financing of police vehicles. The 2005 budget adjusts the level of permanent sworn positions budgeted from 562.3 FTEs in 2004 to 559.0 FTEs in 2005, reflecting reductions in state (Gang Strike Force) and federal (School Resource) grants. The number of sworn positions budgeted in the general fund is 526 FTEs, up 6 from the 519.4 in 2004.

Public Works Department: The 2005 general fund budget for Public Works is \$2,257,436, a 56.5% decrease from the 2004 adopted budget of \$5,184,354. This reduction is due to moving the costs for street lighting maintenance from the general fund where it has been funded by property taxes to a special fund, including it in the right-of-way maintenance which is supported with assessment revenue. This change provides a more stable revenue flow, allows the city to properly maintain street lights, and distributes the cost for street lighting maintenance to all properties within the city. Additionally, general fund support for graffiti cleanup (\$34,954) was eliminated and moved to the special fund.

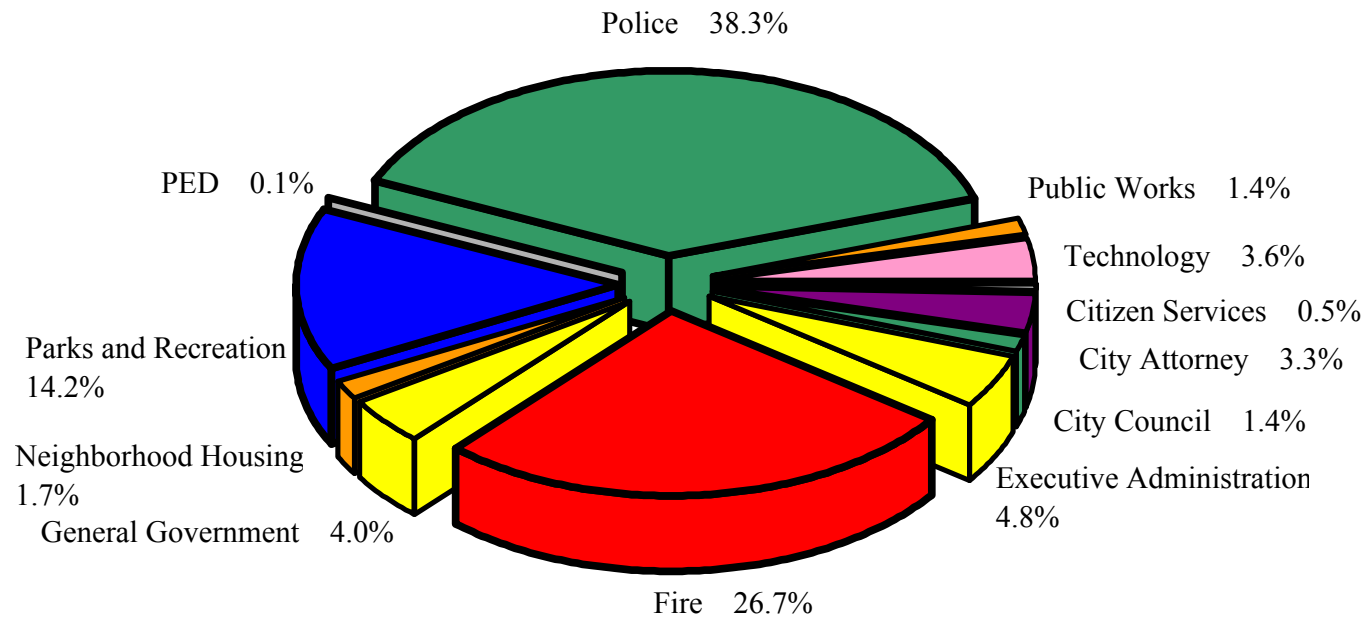
Technology: The general fund budget is \$5,776,348, a 7.3% increase from the 2004 adopted budget of \$5,383,083. The budget reflects additional funding of \$264,470 for equipment replacement, equipment and a citywide upgrade to MS Office, funding for additional staff to respond to increased desktop support needs, web development and software and security support, and the carryover of \$100,000 from the 2004 budget for work related to a 311 citizen response phone system.

General Fund Budget

General Fund Spending (By Department)			
Department/Office	2003 Actual	2004 Adopted Budget	2005 Adopted Budget
Attorney	5,030,828	5,177,975	5,258,531
Citizen Services	3,522,843	1,089,275	834,862
Council	1,963,116	2,216,365	2,262,044
Financial Services	1,533,272	1,911,085	1,880,514
Fire and Safety Services	38,843,171	39,833,158	42,222,986
General Government Accounts	7,334,619	5,962,766	6,273,396
Human Resources	2,419,575	3,010,636	3,123,503
Human Rights	631,805	532,632	520,361
Libraries	11,316,692	0	0
License, Inspection, and Environmental Protection	761,010	735,975	732,857
Mayor	1,110,875	1,294,963	1,361,039
Neighborhood Housing and Property Improvement		2,446,577	2,709,743
Parks and Recreation	21,853,684	21,733,652	22,435,374
Planning and Economic Development	793,278	108,483	109,083
Police	54,885,619	57,884,518	60,589,972
Public Works	4,984,208	5,184,354	2,257,436
Technology	7,527,730	5,363,083	5,776,348
Total	164,512,325	154,485,497	158,348,049

General Fund Budget

2005 Spending by Department



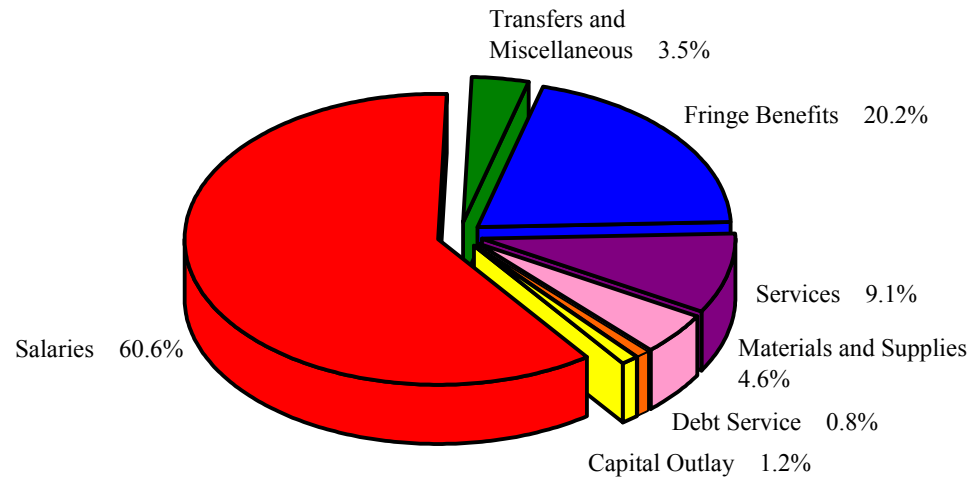
General Fund Budget

General Fund Spending (By Major Object)			
Object	2003 Actual	2004 Adopted Budget	2005 Adopted Budget
Salaries	99,686,386	93,488,168	96,009,819
Services	17,224,913	16,063,112	14,358,446
Materials and Supplies	9,169,048	7,637,294	7,327,070
Fringe Benefits	30,290,126	29,240,234	31,999,414
Transfers and Miscellaneous	6,106,202	5,191,086	5,591,032
Debt Service	939,892	1,255,618	1,255,618
Street, Sewer, Bridge Improvement	0	5,329	5,329
Capital Outlay	<u>1,095,758</u>	<u>1,604,656</u>	<u>1,801,321</u>
Total	164,512,325	154,485,497	158,348,049

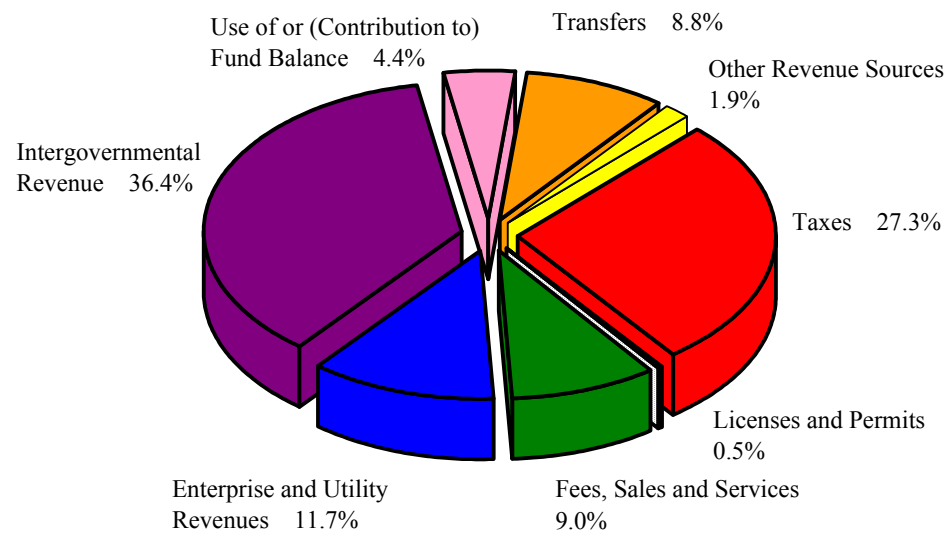
General Fund Financing (Revenue By Source)			
Source	2003 Actual	2004 Adopted Budget	2005 Adopted Budget
Use of or (Contribution to) Fund Balance	0	5,844,853	6,944,853
Transfers	9,924,973	9,461,732	13,971,909
Taxes	40,967,773	42,628,080	43,245,113
Licenses and Permits	918,350	884,320	864,443
Intergovernmental Revenue	76,195,713	60,693,655	57,574,719
Fees, Sales and Services	12,381,517	13,321,194	14,236,716
Enterprise and Utility Revenues	17,576,898	18,262,628	18,532,296
Other Revenue Sources	<u>3,361,495</u>	<u>3,389,035</u>	<u>2,978,000</u>
Total	161,326,719	154,485,497	158,348,049

General Fund Budget

2005 Spending By Major Object



2005 Revenue By Source



General Fund Budget

General Fund Balances (Revenues & Sources and Expenditures & Uses of Funds)					
	2001 Actual	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget
Beginning Balances	45,598,034	43,723,326	40,989,467	37,844,899	32,000,046
Revenues and Sources					
Transfers In	6,394,120	6,127,135	9,924,973	9,461,732	13,971,909
Property Taxes	43,223,400	40,234,966	40,107,165	41,595,440	42,086,653
Other Taxes	1,226,682	1,019,448	860,608	1,032,640	1,158,460
Licenses and Permits	830,452	825,604	918,350	884,320	864,443
Intergovernmental	82,281,292	87,171,712	76,195,713	60,693,655	57,574,719
Fees, Sales and Services	9,997,805	10,894,816	12,381,517	13,321,194	14,236,716
Franchise Fees	16,842,474	17,839,903	17,576,898	17,730,603	17,840,511
Interest Earned:					
On Investments	4,591,495	3,858,336	2,580,966	2,901,500	2,631,365
On Securities Lending Transactions - (a)	2,116,420	1,195,386	1,026,717	75,000	0
Inc (Dec) in Fair Market Value of Investments	1,303,250	1,501,900	(855,330)		
Miscellaneous	742,759	701,956	609,142	944,560	1,038,420
Total	169,550,149	171,371,162	161,326,719	148,640,644	151,403,196
Expenditures and Uses (b)					
Attorney	4,465,420	4,680,207	5,030,828	5,177,975	5,258,531
Citizen Services	3,550,362	3,633,061	3,522,843	1,089,275	834,862
Council	2,016,334	2,107,493	1,963,116	2,216,365	2,262,044
Fire and Safety Services	37,470,391	37,735,550	38,843,171	39,833,158	42,222,986
General Government Accounts - Miscellaneous	8,984,461	7,935,087	7,334,619	5,962,766	6,273,396
Health	0	0	0	0	0
Libraries	10,526,113	11,051,469	11,316,692	0	0
Executive Administration - (c)	7,998,174	8,039,215	6,456,537	7,485,291	7,618,274
Neighborhood Housing and Property Improvemen	0	0	0	2,446,577	2,709,743
Parks & Recreation	24,052,256	24,427,975	21,853,684	21,733,652	22,435,374
Planning and Economic Developmen	1,318,151	1,097,105	793,278	108,483	109,083
Police	54,044,836	55,356,250	54,885,619	57,884,518	60,589,972
Public Works	9,856,624	9,723,848	4,984,208	5,184,354	2,257,436
Technology and Management Services - (d)	7,082,689	7,673,403	7,527,730	5,363,083	5,776,348
Fringe Benefits - (e)	0	0	0	0	0
Interest on Securities Lending Transactions - (a)	0	0	0	0	0
Total (d)	171,365,811	173,460,663	164,512,325	154,485,497	158,348,049
Ending Balance					
Reserved	5,533,669	5,613,140	5,334,613	5,275,000	5,100,000
Designated	37,987,718	35,145,424	32,172,784	26,275,000	19,750,000
Undesignated	201,939	847,768	337,502	450,046	205,193
Total (f)	43,723,326	41,606,332	37,844,899	32,000,046	25,055,193

- a) The 2005 adopted financing and spending budgets for Securities Lending Transactions will be amended when the actual amounts are known and available
- b) For 2001 - 2005, no adjustments have been made to the historic expenditures and uses data to reflect any movement of organizational units among and between department
- c) Executive Administration includes: Financial Services, Human Resources, Human Rights, License Inspection and Environmental Protection, and Mayor's Office
- d) The 2004 and 2005 Budget columns on this page do not include "Advances to Other Funds" and "Petty Cash Advances".
- e) Prior to 1996, fringe benefits were recorded centrally, and after that they were recorded as amounts in the departments
- f) Based on the 2001 - 2003 experience, the actual ending total balance for 2004 - 2005 will be greater than the listed budget ending total balance

Special Funds

Special Funds

2005 Adopted Budget

Highlights:

The City has 51 special funds totaling \$209 million. The total excludes Regional Water Services, the St. Paul Public Libraries Agency, and RiverCentre special funds, which are submitted as separate budgets. Significant changes are indicated as follows:

City Attorney Outside Services (Fund #025): The budget recognizes the transfer of one FTE to the general fund portion of the City Attorney's budget which was funded with a one-time funding source in 2004. This shift provides permanent funding for a Community Prosecutor position which works collaboratively with various city neighborhood groups and is considered an essential member of the community policing team. Also, the budget for 2005 includes the addition of an attorney specifically to provide legal services internally.

Property Code Enforcement (Fund #040): This budget recognizes that the City will continue to aggressively enforce the registration of rental properties as required by the legislative code to ensure that one- and two-family non-owner occupied rental properties do not become problem properties. \$97,000 of staff costs were transferred to the General Fund from a Community Development Block Grant (CDBG) activity because the staff costs are ineligible expenses for CDBG funding.

Special Projects: General Government Accounts Fund (Fund #050): The budget transfers approximately \$4.7 million of special funds' central service costs to the general fund and recognizes the addition of \$603,730 in grants and donations to support the Mayor's education initiative.

Cable Communications (Fund #166): The City receives a franchise fee from the cable operator, which is based on five percent of the cable company's gross revenues. The current revenue projection shows a small net decrease based on rate increases and a small decline in overall subscriber numbers. Three grants totaling \$671,000 will also be received. Their use is restricted to capital public, educational and governmental (PEG) purposes or costs related to the City's institutional network (I-Net).

Public Works (Funds 205, 225, 230, 231, 232, 240, 245, 250, 255 and 260): Changes in the Public Works funds are primarily due to the following issues: 1) spending reductions in data conversion costs and implementation of the Computerized Maintenance Management System, 2) a significant change in the way Public Works allocates overhead functions to operating divisions and reducing the cost of administration, and 3) a 2% inflationary increase in services, equipment and supplies.

Street Repair and Cleaning (Fund #225): The fund manages the right-of-way assessment function by processing public improvement assessments as well as operations and maintenance service charges. The budget moves costs for street lighting maintenance from the general fund to this special fund, which includes lighting maintenance and right-of-way maintenance. This provides a more stable revenue flow, allows the City to properly maintain street lights, and distributes the cost for such maintenance to all properties within the City. The City Council made the following budget changes: transferred funding for two inspectors to Neighborhood Housing and Property Improvement, provided funding for a salt shed (\$600,000), increased funding for right-of way tree trimming (\$80,000), increased funding for settlements to recognize inflationary costs, lowered the proposed increase in funding for street light maintenance (\$200,000) and Computerized Maintenance Management System contingency (\$48,825), and increased use of fund balance which collectively resulted in a reduced Right-of-Way Assessment rate.

Parking Meter Collection and Fines (Fund #230): This fund includes collection of revenues from parking meters, parking fines and traffic fines. Transfers are made to the Police Department's special fund for Surface Parking Enforcement and to the City's general fund. The adopted budget of \$5,813,985 includes an increase of \$3,110,915. The increase primarily reflects shifting parking and traffic fines to this fund for consistency and the need to be in compliance with bond requirements.

Solid Waste & Recycling (Fund #232): Coordination of solid waste ordinance enforcement, contracts oversight related to recycling services with various neighborhood groups, and working with refuse haulers and neighborhoods on refuse collection issues is the focus of this fund. The 2005 budget includes a 1.5% increase in recycling charges to cover the cost of inflation and the inherent unpredictability in transforming to two stream collection.. This is an annual increase of .36¢ per household.

Sewer Service Enterprise (Fund #260): Most of the spending for this fund is determined by the Metropolitan Council Environmental Services (MCES) charges and debt service for construction programs under federal and state mandates. This fund includes the continuation of the repayment of water pollution abatement bonds financed by the general obligation debt service fund in the 1970s and 1980s. The repayment is being accelerated using a \$1.1 million rebate from MCES. Additionally, the budget includes increases in Storm Sewer System Charges (1.5%) and Sanitary Sewer Rates (3.0%) to offset increasing costs. The budget also reflects additional spending for major sewer repair and payment of 2004 Revenue Bonds.

Public Health Special Revenue (Fund #305): Public Health Fund #304 was closed out and merged into Fund #305. The budget reflects the number of employees (60.1 FTEs) who are still on the City's payroll.

License and Permit Special Fund (Fund #320): The budget maintains the same FTEs and service levels as in 2004. Additionally, it includes several license and permit fee increases in an effort to cover service costs. Starting in 2005, LIEP will transfer \$127,000 to the City Attorney's Office to fund an attorney position devoted to LIEP.

Parks and Recreation Special Services Enterprise (Fund #325): Adopted spending increases by \$1.2 million in anticipation of the opening, in 2005, of the Highland National 18-Hole Golf Course. FTEs for this fund increase by 14.4 in order to operate the new course. Costs are financed by anticipated golf course revenues.

Parks and Recreation Street Tree Maintenance (Fund #375): Adopted spending increases by \$553,662, supported by assessments (mostly transfers from Public Works Fund 225). Council added \$400,000 for Dutch Elm tree removal and \$80,000 for tree maintenance at intersections.

Parks and Recreation Special Recreation (Fund #380): Spending increases by \$838,526. This is primarily due to costs for the anticipated opening, in 2005, of the Visitor's Education Resource Center. FTEs increased by 15.2 in order to be able to operate the facility.

Police Services (Fund #400): This fund tracks the receipt and use of the Police Public Employee Retirement Association (PERA) pension assets returned to the City under 1999 State legislation. The 2005 budget reflects year six of a ten-year plan and shows a decrease of \$779,767. Costs associated with direct police services, including the compensation for police officers, are planned for in the 2005 budget.

Police Impounding Lot (Fund #435): This fund tracks the finances related to the towing and reclaiming of all towed or abandoned vehicles left on city streets. Some vehicles are sold at auction and some are reclaimed by their owners once the owner pays the appropriate fine.

Police Special Projects (Fund #436): This fund's adopted budget reflects a decrease in spending of \$302,633 as 2004 grants close out and are not expected to be renewed in 2005, new grants come on line in 2005, funding for the State Gang Strike Task Force is reduced, and the new School Resource Officer contract with the Independent School District is implemented, reducing the program from 18 to 12 officers.

Firefighting Equipment Trust (Fund #735): The 2005 budget reflects an increase of \$723,422 based on the new apparatus plan recommended by Fire management. In the past, the department's equipment replacement plan typically replaced one major piece of equipment every other year. With some added funding from the general fund in 2005, the number of replacements should go up and the age of the fleet will begin to decrease.

Parks and Rec Grant (Fund #860): Although fund spending increases by only \$20,455 overall, this is the result of many changes including cutting costs and shifting some to the general fund resulting from the loss of \$173,648 in expected state aid for Regional Parks Operation and Maintenance. Changes also include the addition of the Youth Job Corps Program, which adds new spending of \$400,000 and 27 FTEs. Although this is an existing program, it is the first year it is budgeted in this fund.

Special Fund Budgets

Special Fund Spending (By Department)			
Department	2003 Actual	2004 Adopted Budget	2005 Adopted Budget
Attorney	858,706	909,746	971,928
Council	65,434	65,161	62,005
Financial Services Office (a, b)	11,997,048	13,149,806	13,216,676
Fire and Safety Services	2,538,147	3,088,467	3,864,764
StP-RC Health	4,019,767	4,170,953	3,997,722
Human Resources	0	0	50,000
Human Rights	43,163	47,614	79,119
Libraries (c)	1,280,012	0	0
License, Inspection, and Environmental Protection	9,565,209	10,002,816	10,399,339
Mayor's Office	62,245	369,855	623,730
Neighborhood Housing & Property Improvement	501,325	748,377	821,010
Parks and Recreation	18,324,373	16,623,377	19,172,278
Planning and Economic Development (b)	17,685,989	20,573,707	20,829,468
Police	10,377,229	12,931,208	11,888,177
Public Works (d)	94,946,809	108,030,868	118,264,162
Office of Technology (a,d)	<u>5,117,337</u>	<u>3,591,886</u>	<u>4,329,307</u>
Total	177,382,793	194,303,841	208,569,685

Special fund budgets are designed to track revenues and expenditures for specific designated purposes. With some exceptions, special fund budgets are not supported by property taxes. Rather, special fund spending is supported by user fees, assessments, and grants, which are generally restricted in some way. The restrictions require accounting in separate funds, which include operating funds, project funds, debt service funds, and trust funds.

(a) Contract and Analysis Services moved from Office of Technology to Financial Services for 2004.

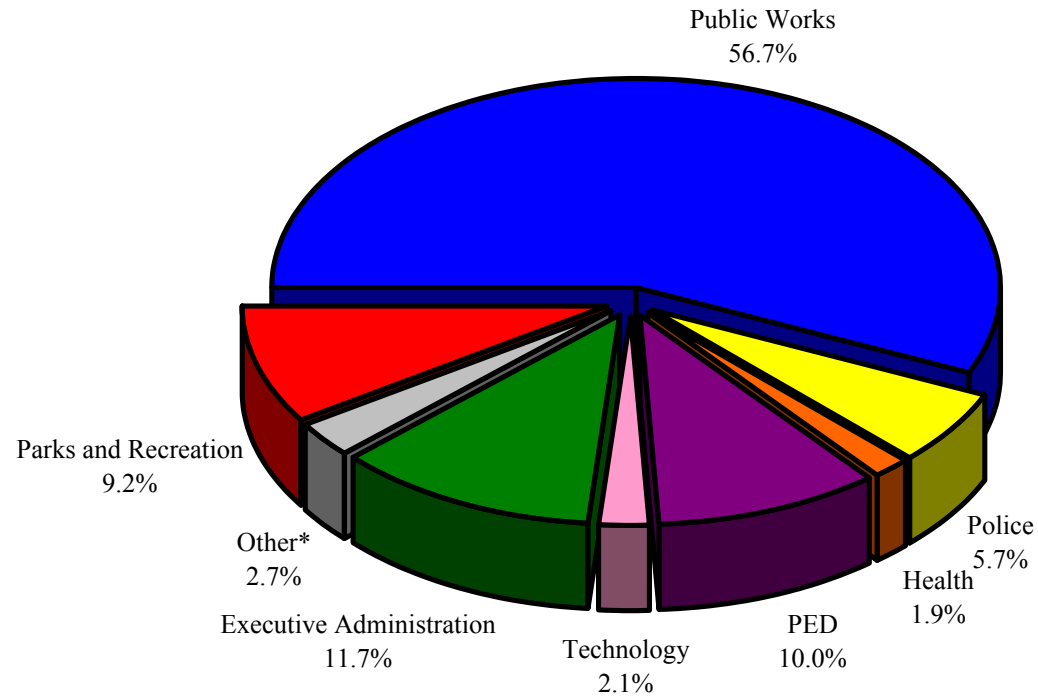
(b) RiverPrint moved from Planning and Economic Development to Financial Services.

(c) Saint Paul Libraries becomes their own agency (The Public Library Agency) effective in 2004 and will no longer be a part of the City of Saint Paul's budget.

(d) Real Estate moved from Office of Technology to Public Works for 2004.

Special Fund Budgets

2005 Adopted Budget



Special Fund Budgets

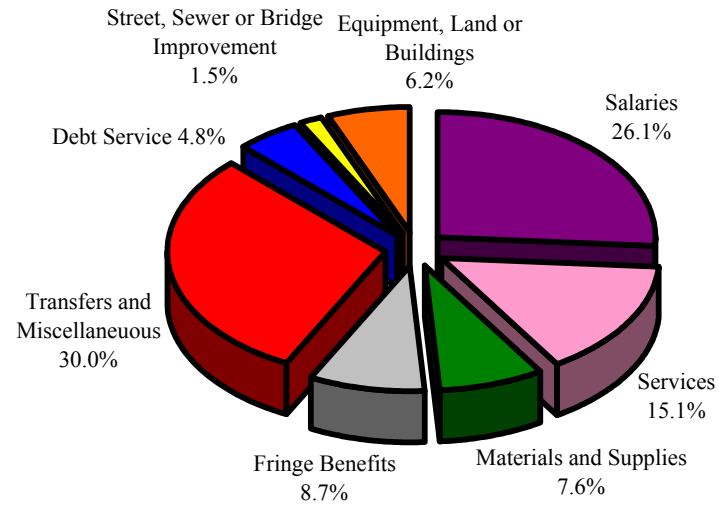
Special Fund Spending (By Major Object)			
Object	2003 Actual	2004 Adopted Budget	2005 Adopted Budget
Salaries	47,167,372	53,412,901	54,470,131
Services	27,632,567	29,802,741	31,609,177
Materials and Supplies	12,841,901	14,559,429	15,869,367
Fringe Benefits	15,519,559	17,625,420	18,052,578
Transfers and Miscellaneous	52,344,000	55,045,773	62,592,409
Debt Service	9,722,580	9,300,282	9,959,168
Street, Sewer or Bridge Improvement	3,084,978	3,400,996	3,175,089
Capital Outlay	<u>9,069,836</u>	<u>11,156,299</u>	<u>12,841,766</u>
Total	177,382,793	194,303,841	208,569,685

Special Fund Financing (Revenue By Source)			
Source	2003 Actual	2004 Adopted Budget	2005 Adopted Budget
Use of Fund Balance	0	12,176,841	12,104,896
Transfers	10,616,864	7,420,193	11,437,800
Hotel and Motel Taxes	1,604,779	1,616,915	1,773,700
License and Permits	9,133,225	9,981,680	10,045,459
Intergovernmental Revenue	18,479,300	22,689,558	25,872,467
Fees, Sales and Services	91,907,841	100,724,218	100,008,435
Enterprise and Franchise Revenue	7,575,227	10,685,405	11,978,665
Assessments and Other Revenue Sources	<u>28,384,021</u>	<u>29,009,031</u>	<u>35,348,263</u>
Total	167,701,257	194,303,841	208,569,685

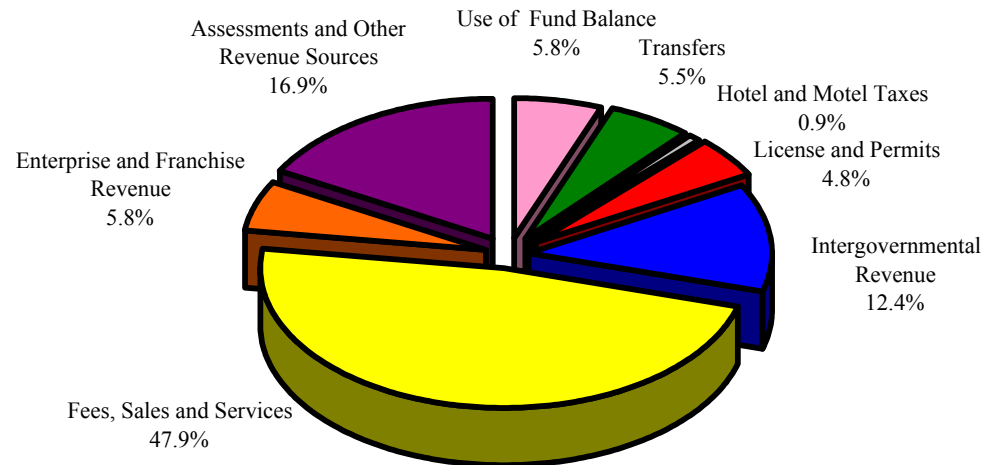
The difference between 2003 spending and financing may be due to use of/contribution to fund balance or accounting reporting requirements. The city is required to report actual annual operating performance in accordance with financial accounting principles. Accounting treatments can cause differences between budget and actual. The following are examples of items that may be treated differently, particularly for proprietary funds: capital project construction, equipment purchases, depreciation and principal payments on debt. Furthermore, the "financing" used to support specific spending or programs may be cash reserves or contributions and not actual revenues of that year.

Special Fund Budgets

2005 Spending By Major Object



2005 Revenue By Source



Debt Service

General Obligation Debt Service Funds Budget

Debt Service Spending (By Major Object)			
Object	2003 Actual	2004 Adopted Budget	2005 Adopted Budget
Salaries	139,957	147,582	131,302
Services	14,947	80,374	81,982
Fringe Benefits	44,931	47,766	40,372
Other	1,414,142	289,153	433,780
Debt Service	35,509,676	55,195,966	54,019,200
Equipment, Land, and Buildings	<u>1,442,372</u>	<u>0</u>	<u>0</u>
Total	38,566,025	55,760,841	54,706,636

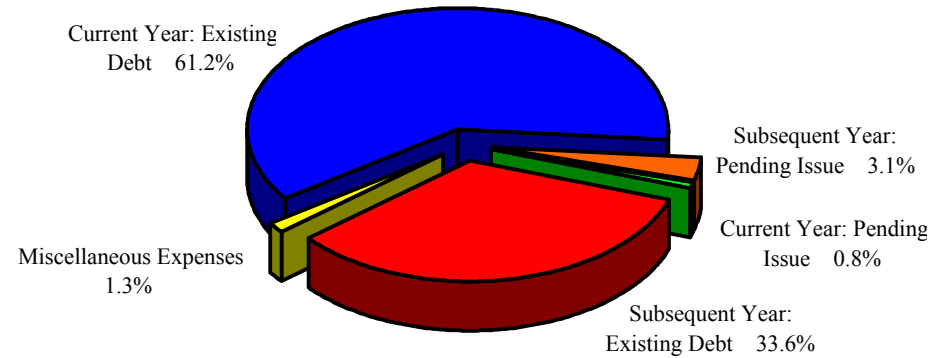
Debt Service Financing (Revenue By Source)			
Source	2003 Actual	2004 Adopted Budget	2005 Adopted Budget
Use of (Contribution to) Fund Balance	0	26,312,277	23,026,279
Transfers	11,445,160	7,889,301	13,238,587
Taxes	17,309,531	10,236,665	6,271,783
Licenses and Permits	0	0	0
Intergovernmental Revenue	1,334,090	4,758	426,038
Fees, Sales and Services	0	0	0
Enterprise and Utility Revenue	1,102,324	910,000	880,000
Other Revenue Sources	<u>13,946,342</u>	<u>10,407,840</u>	<u>10,863,849</u>
Total	45,137,447	55,760,841	54,706,536

The city's general debt service budget provides for the principal and interest payments on its general obligation bond issues. The budget consists of two sets of appropriations: 1) an amount needed to meet the budget year debt service obligations, and 2) an amount needed to meet the obligations of the first half of the following year. Therefore, the amount appropriated for general debt service exceeds the amount actually spent in the budget year. This additional amount remains in fund balance to use as a financing source for the subsequent year's debt service payments. While complicated, this budget structure solves a cash flow problem for the city. The city receives state aids and property taxes mid-year and at the end of the year. If the city did not budget for subsequent year debt service payments, it would lack the cash to make the debt service payments due before the city receives its major cash infusions each year.

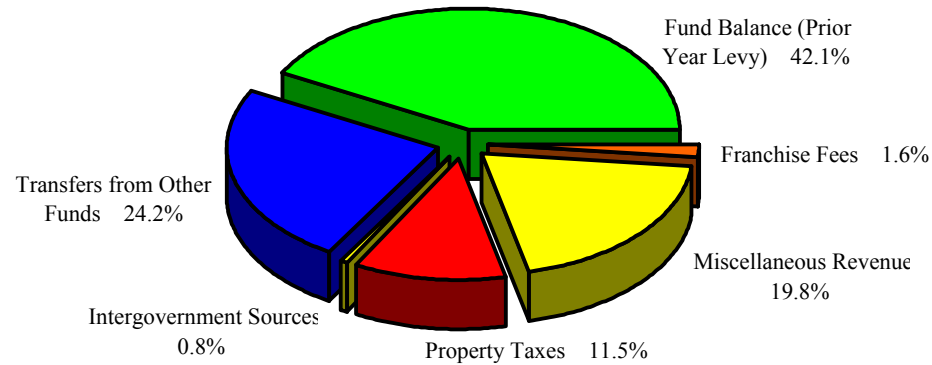
The total 2005 debt service budget is \$54,706,536. \$34,655,361 is for debt service obligations in 2005 (the budget year), and \$20,051,175 is debt service obligations in the first half of 2006 (the subsequent year).

General Obligation Debt Service Funds Budget

2005 Spending by Major Category



2005 Financing by Major Source



General Obligation Debt

Allocation of Revenue to Type of Debt as of December 31, 2004								
	Property Tax Levy	Water and Sewer Charges	Assessments	Tax Increments	Parking Revenue	Other Sources	Self Supporting Total	Total
Capital Improvements	102,000,000					3,815,000 **	3,815,000	105,815,000
Library Bonds	12,280,000						-	12,280,000
Street Improvements			23,175,000				23,175,000	23,175,000
Tax Increment:							-	-
Riverfront Development				8,550,000			8,550,000	8,550,000
Midway Marketplace				5,240,000			5,240,000	5,240,000
Block 39 Project				15,885,000	21,255,000		37,140,000	37,140,000
Koch Mobil				3,950,000			3,950,000	3,950,000
Water Pollution Abatement		380,000					380,000	380,000
Sewer Bonds		3,675,000					3,675,000	3,675,000
Sewer Loan (PFA *)		16,708,614					16,708,614	16,708,614
Water Loan (PFA*)		2,946,242					2,946,242	2,946,242
TOTAL	114,280,000	23,709,856	23,175,000	33,625,000	21,255,000	3,815,000	105,579,856	219,859,856
Percent of Total	52.0%	10.8%	10.5%	15.3%	9.7%	1.7%	48.0%	100.0%

* PFA is the Public Facilities Authority.

** Other Sources are Gross Earnings Franchise Fees.

General Obligation Debt Service

Mission Statement

To prepare financing plans and pay the annual principal and interest on the city's general obligation debt.

Strategic Plan Accomplishments and 2004 Priorities

Major Accomplishments

- Moody's upgraded the city's outlook to positive.
- Standard and Poor's reaffirmed the city's highest possible AAA credit rating in 2004.
- The city sold \$19 million in general obligation capital improvement bonds at a record low 2.52% interest rate.
- The City sold \$3.27 million of capital improvement bonds to refund the 1996 capital improvement bonds resulting in a savings of \$140,000.
- The City sold \$3.95 million of general obligation temporary tax increment bonds to fund the public improvements of phase I of the Koch-Mobil housing project.

2004 Priorities

- Maintain or improve the Aa2 (Moody's) and AAA (Standard & Poor's) ratings assigned to the city's general obligation debt. Strengthen the organizational understanding of the best uses of the general obligation bonding authority.
- Provide Alternate Financing: Provide recommendations for the alternative financing plans for both current and future bond issues. Alternatives to the use of tax levy as financing for the general obligation debt of the city will continue to be explored and recommended where prudent. Continue to review proposals in search for the solutions that serve the city in the long-term, ever mindful of the short-term needs.

Debt Service

Department/Office Director: **MATTHEW G SMITH**

	2002	2003	2004	2005	2005	Change from	
	2nd Prior	Last Year	Adopted	Mayor's	Council	Mayor's	2004
	Exp. & Enc.	Exp. & Enc.	Budget	Proposed	Adopted	Proposed	Adopted
<u>Spending By Unit</u>							
960 GENERAL DEBT SERVICE FUND	23,566,566	27,912,707	41,971,532	41,134,438	40,244,438	-890,000	-1,727,094
961 CITY REV BONDS, LONG TERM DEBT	6,579,729	8,312,125	7,020,202	7,172,768	7,172,768		152,566
963 G.O. SPEC ASSM DEBT SERV FUND	5,980,391	2,802,566	6,056,041	6,111,334	6,111,334		55,293
967 CITY REVENUE NOTES DEBT SERVICE	404,378	705,837	713,066	1,063,336	1,177,996	114,660	464,930
Total Spending by Unit	36,531,064	39,733,235	55,760,841	55,481,876	54,706,536	-775,340	-1,054,305
<u>Spending By Major Object</u>							
SALARIES	134,439	139,957	147,582	146,492	131,202	-15,290	-16,380
SERVICES	22,891	14,947	80,374	81,982	81,982		1,608
MATERIALS AND SUPPLIES	12,442	6,085	6,665	6,798	6,793	-5	128
EMPLOYER FRINGE BENEFITS	41,409	44,931	47,766	45,077	40,372	-4,705	-7,394
MISC TRANSFER CONTINGENCY ETC	310,000	1,408,057	282,488	312,327	426,987	114,660	144,499
DEBT	35,382,657	33,526,886	55,195,966	54,889,200	54,019,200	-870,000	-1,176,766
STREET SEWER BRIDGE ETC IMPROVEMENT	625,000	1,442,372					
EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object	36,528,838	36,583,235	55,760,841	55,481,876	54,706,536	-775,340	-1,054,305
Percent Change from Previous Year		0.1%	52.4%	-0.5%	-1.4%	-1.4%	-1.9%
<u>Financing By Major Object</u>							
GENERAL FUND							
SPECIAL FUND							
TAXES	18,217,860	18,411,855	11,146,665	7,740,283	7,151,783	-588,500	-3,994,882
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	1,381,605	1,334,090	4,758	426,038	426,038		421,280
FEES, SALES AND SERVICES	15,000	15,000					
ENTERPRISE AND UTILITY REVENUES	114,660	114,660	130,000	130,000		-130,000	-130,000
MISCELLANEOUS REVENUE	13,753,780	13,816,682	10,277,840	10,863,849	10,863,849		586,009
TRANSFERS	4,742,248	11,445,160	7,889,301	12,962,587	13,238,587	276,000	5,349,286
FUND BALANCES			26,312,277	23,359,119	23,026,279	-332,840	-3,285,998
Total Financing by Object	38,225,153	45,137,447	55,760,841	55,481,876	54,706,536	-775,340	-1,054,305
Percent Change from Previous Year		18.1%	23.5%	-0.5%	-1.4%	-1.4%	-1.9%

Budget Explanation

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way the costs of workers' compensation are accounted for: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. Finally, a spending reduction was imposed on the department's budget to help control city debt service funds spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Mayor Recommendations

- The proposed spending in fund 960, general debt service, is \$41,134,438, a decrease of \$837,094 compared to the 2004 adopted budget. The budget proposes issuing \$19,000,000 of capital improvement bonds (CIB) in 2005, and assumes an estimated interest cost of 5% for the bonds to be sold in 2005.

The financing plan has changed significantly. Most of the change is due to recognizing a larger use of sales tax revenues to fund debt service. This allows some tax levy authority to shift to the General Fund to help offset the cutbacks in the State's 2004 Local Government Aid funding. The 2002 and 2003 actuals reflect only the amount actually spent and do not reflect the subsequent year debt that is budgeted in 2004 and 2005.

For funds 960 and 963, the budget includes appropriations for both the amount needed to meet the budget year debt service obligations, and an amount needed to meet the obligations of the first half of the following year (subsequent year). Therefore, the amount appropriated exceeds the amount actually spent in the budget year. This additional amount remains in fund balance to use as a financing source for the subsequent year's debt service payments. While complicated, this budget structure solves a cash flow problem for the city. If this practice was not employed, the city would lack the cash to make the debt service payments due before receiving its major cash infusions each year.

- Spending for fund 961, city revenue bonds, long-term debt, increased by \$152,566. This fund is financed with facility lease payments and Minnesota Wild hockey team revenues (payments in lieu of taxes). These bonds are backed by sales tax revenues. The \$152,566 increase in spending is financed by an increase of \$372,841 in payments in lieu of taxes (PILOT), and a reduction

Mayor Recommendations (continued)

in the use of fund balance by \$220,275.

- Spending for fund 963, general obligation special assessment debt service, increased by \$55,293 compared to 2004. This change is due to issuing larger bond issues over the years and the 2005 bond issue requiring a large first year payment and subsequent year budget. The 2002 and 2003 actuals reflect only the amount actually spent and do not reflect the subsequent year debt that is budgeted in 2004 and 2005.
- Spending for fund 967, city revenue notes debt service, is for a bank note for the purchase of property for the Science Museum, paid by parking revenues and cultural sales tax (STAR) monies. In 2004, the people connection debt service budget was established in order to make the appropriate lease payment to Ramsey County. The people connection is funded by contributions from the Convention & Visitors Bureau, the RiverCentre Authority and Hotel Motel tax receipts. For 2005, the police squad car lease debt service budget was established in order to meet the three year lease schedule for the new vehicles purchased mid-year 2004.

City Council Actions

The city council adopted the Debt Service budgets and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- adjusted the approach to debt management to reflect bond sales with semi-annual debt service payments in September and March instead of the traditional March payment, beginning with the 2005 sale, leaving a portion of the savings in the general debt fund as part of debt fund balance,
- reduced the projected interest rate for the 2005 bond sale to 4%,
- decreased the estimated funding for the hiring of a replacement for the debt manager position,
- recognized alternative financing from the Library Agency, an MCES refund, and canceled CIB projects including Phalen Ice Arena, and
- modified the financing anticipated from current Neighborhood STAR revenues and past Neighborhood STAR project balances.

The City Council made these further changes:

- shifted part of the property tax levy financing from debt service to the City's general fund.

The 2005 adopted budget is \$40,244,438 for the general debt service fund and \$14,462,098 for the other debt service funds.

Property Taxes

Factors Affecting Your City Property Tax Bill

The four most important factors affecting how much a property owner pays in city property taxes are:

- amount of city spending;
- availability of revenues other than property taxes;
- size of the tax base; and
- composition of the tax base

The first two factors, spending and other revenues, affect the total tax dollars that must be levied. The remaining two factors determine the tax levy's distribution among all property tax payers.

City Spending:

The first factor affecting city property tax levels is city spending. It is the only factor that the mayor and city council directly control. Saint Paul must maintain a balanced budget, so all proposed spending must be covered with a financing source. If city spending were the only factor affecting taxes, tax rates would mirror spending exactly.

Other Revenues:

City reliance on property taxes depends on other revenues available to the city. The other dominant revenues are state aids, such as Local Government Aid (LGA), utility fees collected for the use of the city streets and by-ways, transfers from other city funds, collections of motor vehicle-related fines, and interest earnings from cash balances. 2005 is the third year in a row the State reduced the City's LGA: from \$56.5 million to \$53.2 million. LGA is the City's largest general fund revenue source and an important factor in Saint Paul's ability to control property taxes.

Size of the Property Tax Base:

The tax base size can be measured as the sum of the market value of all taxable properties. Yearly changes in market values are attributable to many factors, the most important of which are demand for residential property and mortgage interest rates, and business property lease and occupancy rates. The larger the base, the broader the distribution of the tax burden and the lower the tax rate required.

Composition of the Tax Base:

The composition of the base affects the relative share of the tax levy. The taxable property value, or tax capacity, is not the same on different classes of property. Minnesota's class rate system allocates differing shares of tax burden based on the use of the property. Apartments, residential homes, and commercial/industrial properties have different taxable value (tax capacity). One dollar of commercial/industrial property has a greater tax capacity than one dollar of residential property, due to the class rate structure.

Taxable Market Value

Payable in 2002	\$ 11,226,400,600
Payable in 2003	\$ 12,644,215,800
Payable in 2004	\$ 14,214,708,900
Payable in 2005	\$ 16,418,951,800

Net Tax Capacity

Payable in 2002	\$ 144,738,980
Payable in 2003	\$ 160,526,186
Payable in 2004	\$ 176,760,767
Payable in 2005	\$ 167,311,568

The 2001 Legislature made significant adjustments to the class rates for payable 2002 taxes and subsequent years, reducing the class rates for large businesses, rental residential and homes valued over \$76,000. The payable 2005 class rates are compared to the payable 2001 rates below.

Property Class Rates **

	Pay 2001	Pay 2005
Homestead Residential \$0-\$76,000 EMV	1.00%	1.00%
Homestead Residential \$76,000-\$500,000 EMV	1.65%	1.00%
Homestead Residential over \$500,000 EMV	1.65%	1.25%
Non-Homestead Resid. single unit up to \$500,000	1.20%	1.00%
Non-Homestead Resid. single unit over \$500,000	1.65%	1.25%
Non-Homestead Residential 2 or 3 units	1.65%	1.25%
Non-Homestead Residential 4 or more units	2.40%	1.25%
Commercial/Industrial < \$150,000	2.40%	1.50%
Commercial/Industrial > \$150,000	3.40%	2.00%

EMV: estimate market value

** Class rate percentages are applied to the Estimated Market Values of property to reach Taxable Values. The tax rate (formerly mill rate) is applied against the taxable values to determine the gross payable tax.

If the total value in one property class grows faster than the other classes, those property owners' tax share increases.

2005 Adopted Budget and Levy

The 2005 adopted City levy is \$63.927 million levy, the same as 2004's.

Of the adopted \$63.927 million levy, \$45.64 million is for city operations, \$6.66 million is for debt service, and \$1.31 million is levied on the Port Authority's behalf. The remaining \$10.32 million levy is for the St. Paul Public Library Agency's operations and debt service. This levy reflects a shift of levy from City operations and debt service to the independent Library Agency.

Tax Dollars and the Services They Buy

Taxpayers often wonder what happens to the property taxes they pay. Here is an example for a typical home in Saint Paul in 2005:

The property tax bill is a combined statement covering the City of Saint Paul, School District 625, Ramsey County, and other “special taxing districts” such as the Metropolitan Council and local watershed districts. In 2005, a home with a taxable value of \$132,000 will have an estimated total property tax bill of \$1,298.

Of the total property tax bill, the single largest share goes to the county and then to the school district. The City receives about 26% of the total tax payment-\$336 in this example.

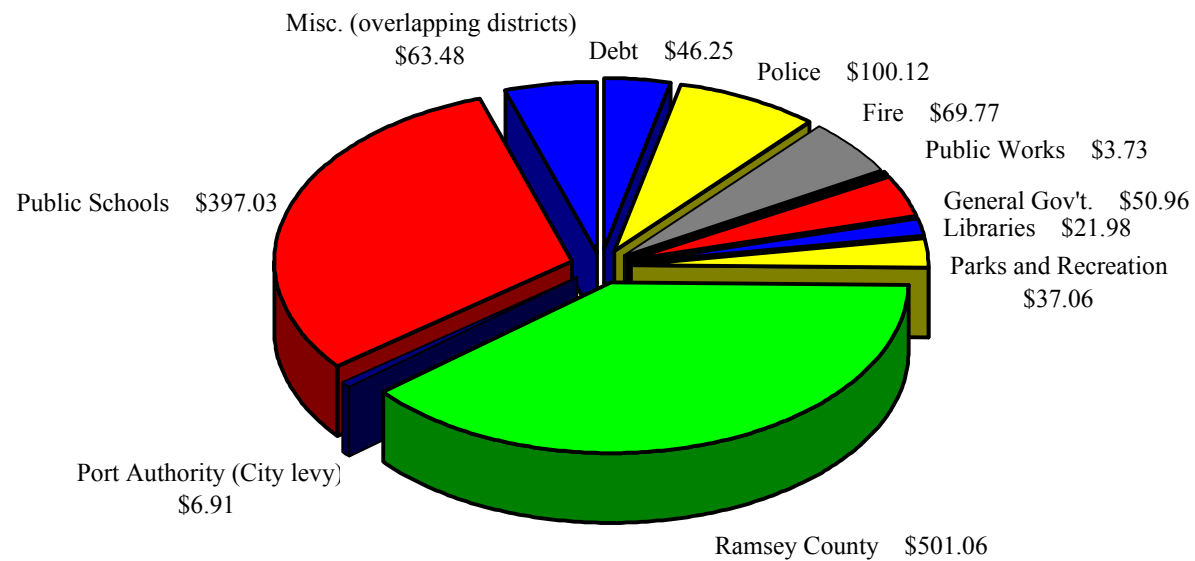
The property tax payment to the City of Saint Paul helps pay a share of the operating costs of city government. For the typical home in this example, the property tax payment would break down to the following amounts:

- \$100 per year for police services
- \$70 per year for fire and emergency medical services
- \$37 per year to operate and maintain the park and recreation system
- \$22 per year to operate and buy materials for the Saint Paul Public Library
- \$46 per year for capital debt service-the cost of building new libraries, recreation centers and playgrounds, and street construction

Property taxes cover only a small part of the total cost of services. In total, property taxes supply only about 13% of the City’s total revenue, and cover just over 31% of the general fund budget. In comparison, the City’s 2005 property tax levy for all purposes-- about \$64 million-- is less than the total proposed operating budget of the Police Department alone.

Estimated 2005 Saint Paul Property Taxes

2005 TNT Tax Rates Applied to a Typical Home valued at \$132,200



City	26.0%
County	38.6%
Schools	30.6%
Other	4.9%
	<hr/>
	100%

Department Summaries

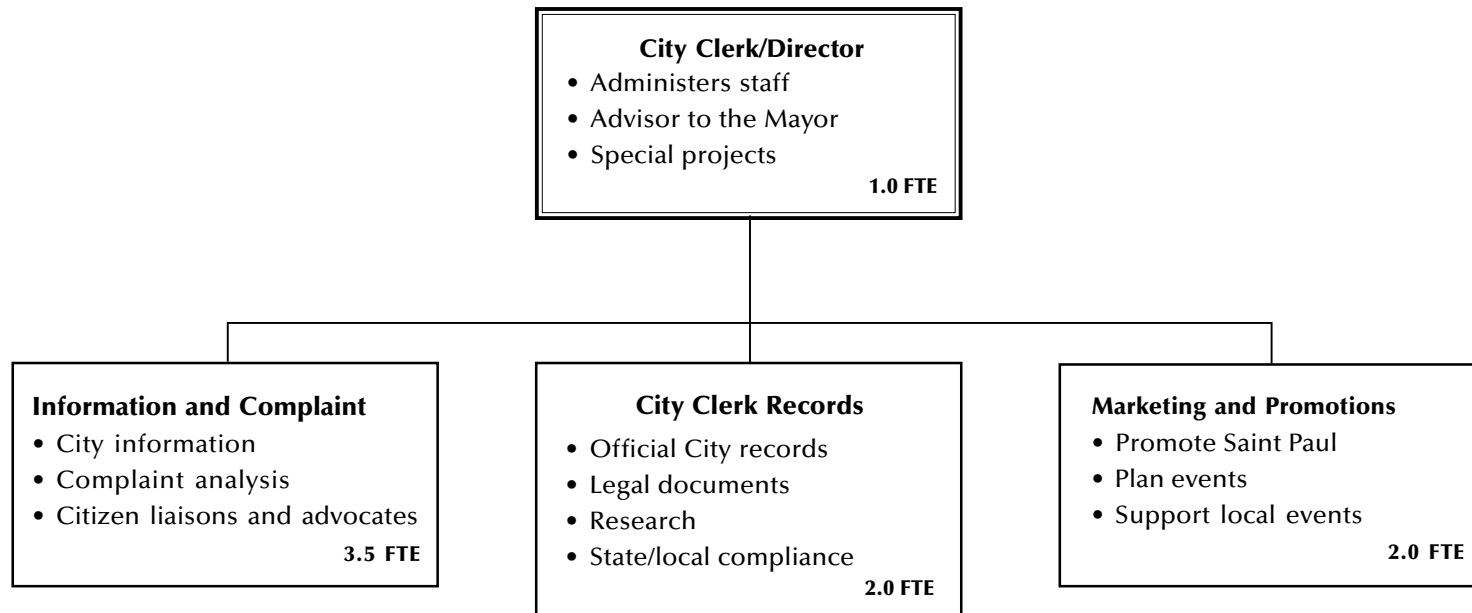
Citizen Service Office

Mission Statement

The Citizen Service Office consists of three divisions - City Clerk Records, Marketing and Promotions, and Information and Complaint. Together, the employees of the Citizen Service Office maintain Saint Paul's official recorded history, promote its vitality and diversity, and help resolve citizen issues related to city services by serving as advocates and liaisons.

Citizen Service Office

(Total 8.5 FTEs)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

City Clerk Records and Information & Complaint Divisions

- Planning committees consisting of state association members are meeting for the 2005 International Institute of Municipal Clerks (IIMC) Conference and fund-raising has started.
- The Office has maintained a high level of service while responding to approximately 1300 requests a month.
- The City translator list was updated. City employees who are fluent in a second language volunteer to be on a contact list for City departments.
- Successful move of the control and responsibility of the parking placards program to the Police Department. The Police Department will be able to enforce the regulations in place for the parking program.
- Take your child to work day was successfully completed. City employees brought their children to the workplace where the children were able to learn about not only their parent's job but also about other positions within the City.
- The annual Red Kettle Campaign for the Salvation Army was again administered through the Citizen Service Office.

Marketing and Promotions Division

- Expand access for organizations to private sector promotional and sponsorship opportunities.
- Develop stronger, coordinated partnerships that will leverage public and private dollars
- Encouraged additional private sector promoters to see Saint Paul as a venue for activities in the City.
- Expanding our film presence through public and private investment.
- Collaborated with the City Council and the Mayor to create a brand identity for Saint Paul, and ensure a strong level of community support for these efforts.

2005 Priorities

City Clerk Records and Information & Complaint Divisions

- Continue planning and fund-raising for the 2005 International Institute of Municipal Clerks Conference. This week long event will bring over 1200 delegates and guests from throughout the United States and 25 member countries to Saint Paul for an economic impact of an estimated \$7 million.
- Maintain the levels of current service to the citizens of Saint Paul. This has been a challenging task with the current financial situation of the office, but the Citizen Service Office is committed to providing citizens with the best service possible. Some methods for accomplishing this will include:

1. Increase the visibility of the 266-8989 number as well as the City website as sources of information and help.
2. Improve bi-lingual services within the office.
3. Bring all city departments online for better utilization of the Amanda system
4. Meet with Amanda users to determine goals for the future.
5. Work with Ramsey County to provide elections in a more cost effective manner without sparing the integrity of the process.
6. Clarify the relationship of the divisions within the Citizen Service Office which include Marketing, Information and Complaint, and City Clerk.

Marketing and Promotions Division

- Continue to market the City of Saint Paul to consumers as a great place to live, work and play with other city departments, partnering organizations, and neighborhood committees.
- Leverage national attention from the Grand Excursion and the Taste of Minnesota for future economic impact.
- Continue to support smaller festivals with in-kind assets.
- Leverage the marketing budget and create partnerships with media to maximize advertising opportunities.

Citizen Services

Department/Office Director: **DONALD J LUNA**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Adopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	1,156,937	1,000,021	1,089,275	1,084,825	834,862	-249,963	-254,413
Total Spending by Unit	1,156,937	1,000,021	1,089,275	1,084,825	834,862	-249,963	-254,413
<u>Spending By Major Object</u>							
SALARIES	530,608	438,381	489,890	461,563	406,133	-55,430	-83,757
SERVICES	355,522	367,993	403,485	373,817	258,099	-115,718	-145,386
MATERIALS AND SUPPLIES	22,941	22,191	16,731	52,872	34,905	-17,967	18,174
EMPLOYER FRINGE BENEFITS	162,591	134,648	156,702	143,734	130,817	-12,917	-25,885
MISC TRANSFER CONTINGENCY ETC	85,275	36,808	900	35,900	700	-35,200	-200
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT			2,984	2,984	2,984		
EQUIPMENT LAND AND BUILDINGS			18,583	13,955	1,224	-12,731	-17,359
Total Spending by Object	1,156,937	1,000,021	1,089,275	1,084,825	834,862	-249,963	-254,413
Percent Change from Previous Year		-13.6%	8.9%	-0.4%	-23.0%	-23.0%	-23.4%
<u>Financing By Major Object</u>							
GENERAL FUND	1,156,937	1,000,021	1,089,275	1,084,825	834,862	-249,963	-254,413
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES							
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE							
TRANSFERS							
FUND BALANCES							
Total Financing by Object	1,156,937	1,000,021	1,089,275	1,084,825	834,862	-249,963	-254,413
Percent Change from Previous Year		-13.6%	8.9%	-0.4%	-23.0%	-23.0%	-23.4%

Budget Explanation

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way the costs of workers' compensation are accounted for: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. So, a separate line item budget for workers' compensation was included in specific department activity base budgets. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Mayor's Recommendations

The Citizen Services' proposed general fund budget for 2005 is \$1,084,825 which is \$3,206 more than the 2005 base budget and \$4,450 less than the adopted 2004 budget.

The major change to spending is the promotion of a Clerk Typist II to the Citizen Service Analyst title.

Council Actions

The city council adopted the Citizen Services Office budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- reduced the budget by \$249,963 to allow the released budget authority to be used to hire five police officers. Spending reductions including the elimination of a 0.5 Clerk Typist III.

City Attorney

Mission Statement

The mission of the Office of the Saint Paul City Attorney is to fulfill its duty to represent the city in its legal affairs with integrity, professionalism, and collegiality.

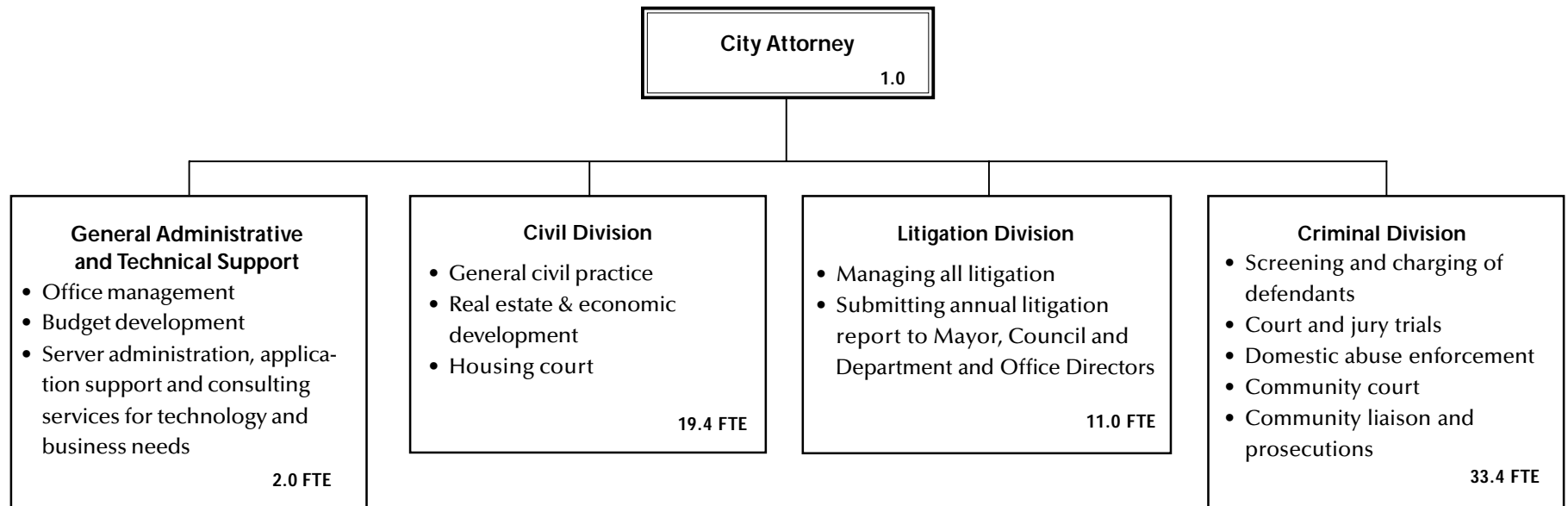
Integrity means that we are loyal to the interests of the city and the laws under which it functions.

Professionalism means that we are thorough and creative in representing the interests of the city, respectful of the public process in which we function, and courteous to all those with whom we interact.

Collegiality means working together, and with the elected and appointed officials of the city, to continuously seek improvements to the quality of legal services and the efficiency with which they are provided.

City Attorney's Office

(Total 66.8 FTEs)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

- Following historical success of 2003 detailed in the Annual Litigation Report, continue to identify the most significant cases and prioritize limited resources so that all litigation is resolved effectively and efficiently.
- The Criminal Division staff handled 17,618 cases in 2003.
- The Criminal Division staff from the Domestic Abuse Unit have worked successfully with Saint Paul Intervention Project to encourage victim cooperation in prosecuting domestic abuse cases.
- Because of an enhanced continuance for dismissal program in the criminal division, the CAO will generate additional revenues to support its current function and add revenues to the general budget. In 2003 the program generated \$411,663 and has generated \$199,305 as of May 2004.
- Because of the Mayor's commitment to the Community Prosecutor and Community Court Programs, the CAO has continued to operate these programs notwithstanding the lapsing of state grant funding for these programs. The Community Court program has added 56,000 hours of community service to the community since its inception in 1999. In 2003 the court handled 581 cases and offenders contributed 13,280 hours of community service to the community.
- The CAO continues to creatively manage scarce Community Court resources. When State Courts were forced to cut the program from two court sessions per week to one the CAO worked with the Judges, Court Administration, Probation and the Public Defenders to expand the size of the weekly court calendar and create a special CFD calendar. These changes allowed us to effectively manage the caseload and has had the positive side affect of creating additional revenue for the City.
- The CAO has continued to enhance the Community Prosecution Program. In June of 2004 the CAO will add a Spanish speaking community prosecutor and expand the program to other parts of the City. The program will also have a female Hmong prosecutor working in the community in the near future. These two entry level prosecutors will rotate in and out of one slot in the trial unit to enhance their knowledge of criminal prosecution and to work on trial skills. The CAO continues to meet with district councils and other community groups, including attending the Mayor's quality-of-life meetings, in the evening hours while training these community prosecutors to handle criminal files.
- The Criminal Division has continued to explore the most efficient use of its limited personnel resources. The Criminal Division has used interns and volunteers as law clerks and attorneys. In 2003, the division began working with William Mitchell Law School and hired a law clerk who came with federal funding to partially offset the cost of her salary paid by the City.

2005 Priorities

- Continue providing outstanding legal services to the Mayor, the City Council, and City departments on housing, development, licensing, zoning, labor, and other governmental operations.
- Continue training prosecutors to improve effectiveness and efficiency through inter-office opportunities with prosecutors from other jurisdictions and expanding the use of technological resources available to prosecutors.
- Continue to explore volunteer attorney and internship programs. Aggressively explore partnership with area law schools to add additional resources to our office.
- Continue to revise office policies dealing with charging decisions to ensure efficient and uniform screening of cases.
- Ensure that all victims and witnesses are contacted and informed of their rights.
- Work with Traffic Violations Bureau to increase efficiency of Traffic Court. Roll out coordinated scheduling system for petty court trials and monitor results.
- Work with Ramsey County to strengthen the Community Prosecution program and find creative ways to solve livability crimes and monitor results
- Strengthen the Joint Prosecution Unit to help break the cycle of violence in families.
- Continue to work toward diversifying the office to reflect the community we serve.
- Review all litigation resolved during 2002 and prepare close-out memos to departments with suggestions for reducing the likelihood of similar suits.
- Work diligently to keep the Community Court cases current and continue to partner with Community Prosecutor and Housing Prosecutor to strengthen the services we provide to citizens.
- Begin to track the results of initiatives such as the indecent conduct web site and the prostitution reduction project to determine how to best use our available resources to reduce quality of life crime.
- Continue to explore Domestic Abuse Victim's Service Center and Mental Health Court.

City Attorney

Department/Office Director: **MANUEL J CERVANTES**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Adopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	4,680,208	5,030,829	5,177,975	5,258,531	5,258,531		80,556
025 CITY ATTORNEY:OUTSIDE SERVICES FUND	798,849	858,706	909,746	844,486	971,928	127,442	62,182
Total Spending by Unit	5,479,057	5,889,535	6,087,721	6,103,017	6,230,459	127,442	142,738
<u>Spending By Major Object</u>							
SALARIES	3,717,587	4,034,210	4,268,778	4,300,381	4,397,835	97,454	129,057
SERVICES	439,422	460,299	389,444	409,599	409,599		20,155
MATERIALS AND SUPPLIES	72,205	75,716	72,315	102,093	102,093		29,778
EMPLOYER FRINGE BENEFITS	1,147,843	1,301,078	1,357,184	1,290,262	1,320,250	29,988	-36,934
MISC TRANSFER CONTINGENCY ETC	102,000	608		682	682		682
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS		17,624					
Total Spending by Object	5,479,057	5,889,535	6,087,721	6,103,017	6,230,459	127,442	142,738
Percent Change from Previous Year		7.5%	3.4%	0.3%	2.1%	2.1%	2.3%
<u>Financing By Major Object</u>							
GENERAL FUND	4,680,208	5,030,829	5,177,975	5,258,531	5,258,531		80,556
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	47,465	25,185	76,728				-76,728
FEES, SALES AND SERVICES	589,474	740,953	741,283	742,685	742,685		1,402
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE		69,988		75,841	75,841		75,841
TRANSFERS	64,446	26,404	26,404	25,960	153,402	127,442	126,998
FUND BALANCES			65,331				-65,331
Total Financing by Object	5,381,593	5,893,359	6,087,721	6,103,017	6,230,459	127,442	142,738
Percent Change from Previous Year		9.5%	3.3%	0.3%	2.1%	2.1%	2.3%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Further adjustments were made to the City Attorney's Office base budget. Specifically:

- a shift of the costs of worker's compensation from the indirect allocation in the fringe benefits budget of the City Attorney's Office into a central pool for small offices in the general government accounts general fund budget.

Mayor's Recommendations

The City Attorney's proposed general fund budget for 2005 is \$5,258,531, an increase of \$80,556, or 1.6% from the adopted 2004 budget. The 2005 proposed budget for the City Attorney's Office special fund is \$844,486 compared to the 2004 adopted budget of \$909,746. The proposed budget includes:

- The general fund budget increased as a result of moving one full-time employee from the special fund to the general fund. This provides permanent funding for a Community Prosecutor position which works collaboratively with various city neighborhood groups and is considered an essential member of the community policing team.
- Funding was added for the purchase of additional software licenses which will provide more Police Department personnel with access to the Attorney's Legal Edge system.
- The 2005 proposed budget recognizes increased revenues of \$139,000 for prosecution surcharges as a result of an increase in the continuance for dismissal fee from \$100 to \$130.

City Council Actions

The city council adopted the City Attorney's Office budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- added funding for one additional attorney.

The 2005 adopted budget is \$5,258,531 for the general fund, and \$971,928 in special funds.

City Council

Mission Statement

The City Council is the legislative, policy-making, budget approval and performance auditing body for Saint Paul city government. The seven member City Council is elected by wards by the residents of Saint Paul to provide for the health, welfare, safety, economic opportunity, quality of life, and common good of the people of Saint Paul.

City Council

(Total 27.7 FTEs)

Citizens of Saint Paul

City Council

- Legislation and Policy
- Budget Review and Approval
- Constituent Services

7 elected officials - 3.5 FTE

7 legislative aides - 7 FTE

10.5 FTE

Director

- Council Secretary
- Council Operations Director
- City Franchise Negotiation & Management
- Chief of City Council Staff

1 FTE

Investigation and Research Center

- Financial and Policy Analysis
- Legislation
- Research, Investigations, Auditing
- Committee Staffing
- Franchise Support

3.7 FTE

Clerical Support and Reception

- Ward Office & General Office Support
- Council Agendas and Minutes
- Legislative Hearing Support
- Council Committee Support
- Investigation & Research Center Support

12 FTE

Legislative Hearing Officer

- License Objections
- Property & Housing Code Appeals
- Hearings on Orders to Remove/ Repair
- Appeals on Fences, Septic Systems, Pedestrian Crossings, Newsracks

0.5 FTE

Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

- The Council considered and disposed of 1,144 pieces of legislation in 2003.
- Council Research completed analyses and research in support of City Council legislative activities, including:
 - supporting the work of legislative advisory committee on the Cesar Chavez street renaming;
 - organized and conducted policy sessions;
 - prepared memos and briefed Councilmembers on dozens of policy topics;
 - co-produced the monthly Council Matters program;
 - coordinated inaugural and orientation of new Councilmembers
 - supported the franchise work;
 - coordinated City Council police and fire chief hiring processes;
 - phased out COPP program and replaced it with NPPCP
- The Legislative Hearing Officer conducted legislative hearings involving hundreds of assessments, objections to license applications, nuisance properties and other matters.
- The Fiscal Policy Director supported the Council's fall 2003 budget review process and conducted fiscal analyses of numerous financial plans and funding proposals.
- The Council approved of spring 2003 budget amendments to adjust for the loss of \$13 million in 2003 Local Government Aid.

2005 Priorities

- Exercising the legislative responsibilities for the City as provided by the city charter;
- Functioning as the Housing and Redevelopment Authority, the Board of Health; and the Library Board;
- Serving as a judicial body to hear appeals as specified by law;
- Determining policy direction for the City's fiscal affairs and development plans;
- Performing the legislative oversight function through the conduct of policy analyses and performance audits;
- Overseeing City franchises;
- Directing operations of the legislative branch of City government;
- Approving the budgets for all City departments, as well as the RiverCentre Authority, Saint Paul Regional Water Services, Housing and Redevelopment Authority, the Library Board, and the tax levy for the Port Authority.

City Council

Department/Office Director: **ROBERT W KESSLER**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Addopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	2,107,498	1,963,117	2,216,365	2,217,044	2,262,044	45,000	679
724 PUBLIC UTILITIES INVESTIGATION FUND	88,897	65,434	65,161	62,005	62,005		-3,156
Total Spending by Unit	2,196,395	2,028,551	2,281,526	2,279,049	2,324,049	45,000	-2,477
<u>Spending By Major Object</u>							
SALARIES	1,530,284	1,412,530	1,480,645	1,593,173	1,593,173		112,528
SERVICES	103,235	91,914	110,857	142,285	187,285	45,000	31,428
MATERIALS AND SUPPLIES	34,961	40,744	35,653	30,756	30,756		-4,897
EMPLOYER FRINGE BENEFITS	472,470	455,032	488,909	488,373	488,373		-536
MISC TRANSFER CONTINGENCY ETC	55,445	28,331	165,462	24,462	24,462		-141,000
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object	2,196,395	2,028,551	2,281,526	2,279,049	2,324,049	45,000	-2,477
Percent Change from Previous Year		-7.6%	12.5%	-0.1%	2.0%	2.0%	
<u>Financing By Major Object</u>							
GENERAL FUND	2,107,498	1,963,117	2,216,365	2,217,044	2,262,044	45,000	679
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	67,890	68,939	65,000	65,000	65,000		
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE							
TRANSFERS							
FUND BALANCES			161	-2,995	-2,995		-3,156
Total Financing by Object	2,175,388	2,032,056	2,281,526	2,279,049	2,324,049	45,000	-2,477
Percent Change from Previous Year		-6.6%	12.3%	-0.1%	2.0%	2.0%	

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way the costs of workers' compensation are accounted for: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. So, a separate line item budget for workers' compensation was included in specific department activity base budgets. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Further adjustments were made to the City Council's base budget. Specifically:

- a shift of the costs of workers' compensation from the indirect allocation in the fringe benefits budget of City Council into a central pool for small offices in the general government accounts general fund budget.

Mayor's Recommendations

The City Council's proposed general fund budget for 2005 is \$2,217,044 which is \$50,000 more than the 2005 base budget and \$679 more than the adopted 2004 budget. The 2005 proposed budget for City Council's special funds is \$62,005 compared to the 2004 budget of \$65,161.

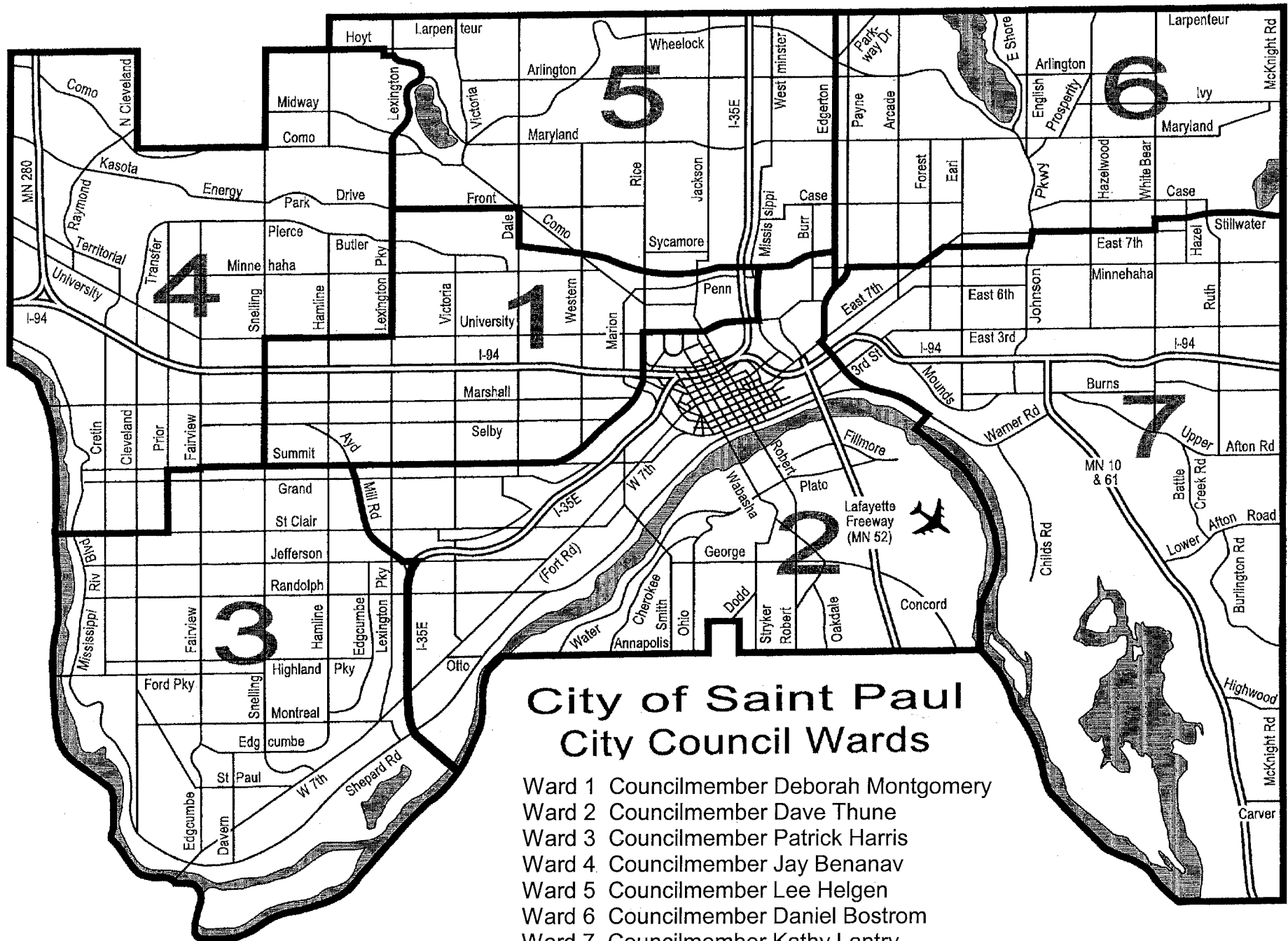
The major change to spending is the reallocation of the Council budget which includes the addition of two positions (Director of City Council Operations and Policy Analyst) which were eliminated during the 2003 mid-year reductions.

City Council Actions

The city council adopted the City Council Offices budget and recommendations as proposed by the mayor, and made these further changes:

- added \$45,000 funding for miscellaneous expenditures.

The 2005 adopted budget is \$2,262,044 for the general fund, and \$62,005 in special funds.



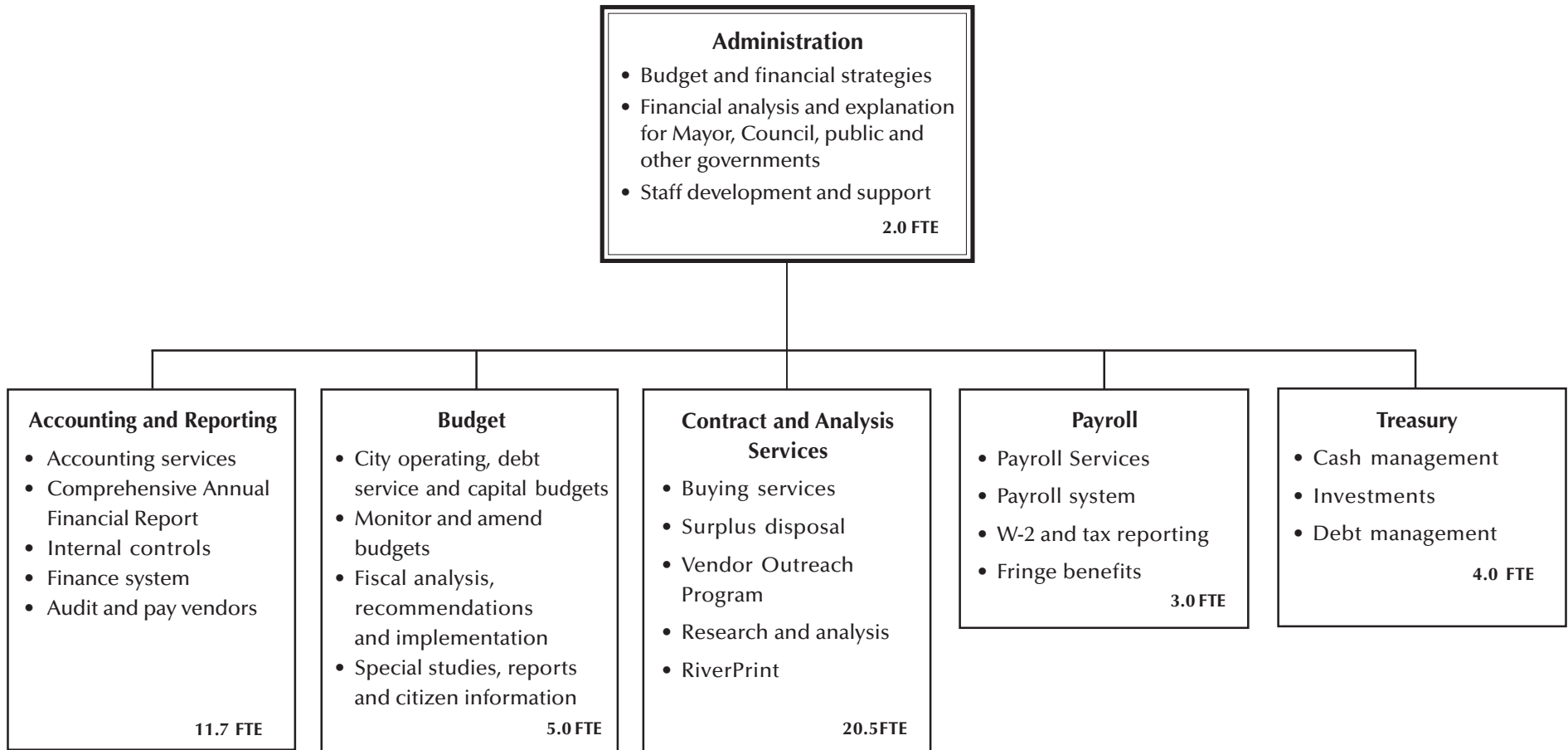
Office of Financial Services

Mission Statement

Manage the City's financial resources and assets to ensure taxpayers' confidence,
the organization's effectiveness and the City's fiscal integrity.

Financial Services

(Total 46.2 FTEs)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

- As of mid-year 2004, continued to provide superior service in payroll, accounting, budgeting, contract and analysis services, printing, treasury, finance system maintenance and financial reporting with fewer positions than last year.
- Maintained city's AAA (Standard & Poor's) and Aa2 (Moody's) bond ratings, with Moody's upgrading the outlook to positive. Maintained the AAA sewer-only utility rating from Standard & Poor's.
- Developed 2004 operating, capital and debt budget proposals with no property tax increase. Organized and managed the city response to reductions in Local Government Aid (LGA) in the State budget, successfully developing and implementing a plan to offset \$13 million in reductions in 2003 and \$20 million cut in 2004 while minimizing disruptions in key public services.
- Received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the City's 2002 comprehensive annual financial report (CAFR). Completed 2003 CAFR.
- Completed the first strategic plan and annual work plan for the newly-integrated Office of Financial Services.
- Continued to improve the efficiency of financial management:
 - ▶ Completed an RFP for capital lease financing for ongoing replacement of parks and public safety equipment.
 - ▶ Implemented positive pay for payroll and vendor checks to prevent fraudulent checks from being cashed. This has already proven itself.
 - ▶ Transferred workers compensation payment processing from the vendor system to the payroll system. This reduces check issuance of 1,400 checks per year.
 - ▶ Worked with other local governments to pass legislation authorizing electronic bidding and reverse auction.
 - ▶ Issued Bonds for the Library as an independent agency for the first time.
 - ▶ Issued the City's Capital Improvement bonds at an all-time low interest rate.
 - ▶ Provided centralized vendor certification services for Minneapolis, Hennepin County, Ramsey County and Saint Paul.
 - ▶ Collaborated with the State of Minnesota to administer and collect City Hotel-Motel Taxes on the City's behalf.
 - ▶ Implemented a new investment policy to improve the management of investment activity.

2005 Priorities

- Adopt a balanced budget for 2006 that reflects citywide resources and service needs. We will do this by working with city departments to develop a budget proposal that reflects the Mayor's priorities and providing information and analysis to the Council and public as budget decisions are finalized.
- Preserve (or improve on) the City's AAA and Aa2 bond ratings by promoting prudent financing, spending and reserve policies.
- Provide finance professionals and interested citizens with useful information about the city's financial status by publishing financial reports that are accurate, understandable, well-documented and timely.
- Control the net costs of fiscal operations to maximize resources available for public services by limiting costs of debt service and issuance and seeking a competitive return on investments while limiting exposure to risk.
- Support good financial management within departments and citywide by continuing to improve the usefulness of monthly and quarterly financial reports.
- Raise the visibility and accountability of the Vendor Outreach Program by working with PED and other departments to improve reporting on results.
- Preserve growth and stability in the city's franchise revenues and maintain affordable energy costs by successfully negotiating a renewal of the agreement with Xcel Energy.
- Improve performance of the accounts payable process citywide by identifying necessary organizational, workflow and technology improvements and plan for implementation.

Financial Services Office

Department/Office Director: **MATTHEW G SMITH**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Adopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	1,934,405	1,533,273	1,911,085	1,880,514	1,880,514		-30,571
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND	5,178,924	5,365,123	6,873,805	7,064,467	7,180,450	115,983	306,645
070 INTERNAL BORROWING FUND	4,538,681	589,426	550,000	756,145	756,145		206,145
124 CONTRACT AND ANALYSIS SERVICES	915,699	858,519	1,014,762	1,002,904	1,002,904		-11,858
127 ST PAUL/RAMSEY COUNTY PRINT CENTRAL	1,341,562	1,202,497	1,347,768	1,473,757	1,473,757		125,989
165 OFS SPECIAL PROJECTS FUND	747,999	1,401,609	558,078	0	0		-558,078
802 CPL OPERATING FUND	4,003,502	2,579,874	2,805,393	2,803,420	2,803,420		-1,973
Total Spending by Unit	18,660,772	13,530,321	15,060,891	14,981,207	15,097,190	115,983	36,299
<u>Spending By Major Object</u>							
SALARIES	2,576,627	2,562,814	2,401,885	2,399,080	2,399,080		-2,805
SERVICES	1,103,332	991,513	1,309,782	1,301,048	1,301,048		-8,734
MATERIALS AND SUPPLIES	581,560	938,229	688,457	684,995	684,995		-3,462
EMPLOYER FRINGE BENEFITS	796,116	833,816	780,631	733,479	733,479		-47,152
MISC TRANSFER CONTINGENCY ETC	9,665,713	5,886,473	7,377,736	7,372,418	7,488,401	115,983	110,665
DEBT	738,681	589,426	425,000	566,145	566,145		141,145
STREET SEWER BRIDGE ETC IMPROVEMENT	2,944,036	1,625,533	1,871,400	1,821,042	1,821,042		-50,358
EQUIPMENT LAND AND BUILDINGS	254,707	102,517	206,000	103,000	103,000		-103,000
Total Spending by Object	18,660,772	13,530,321	15,060,891	14,981,207	15,097,190	115,983	36,299
Percent Change from Previous Year		-27.5%	11.3%	-0.5%	0.8%	0.8%	0.2%
<u>Financing By Major Object</u>							
GENERAL FUND	1,934,405	1,533,273	1,911,085	1,880,514	1,880,514		-30,571
SPECIAL FUND							
TAXES	1,771,214	1,604,779	1,616,915	1,667,652	1,773,700	106,048	156,785
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	253,006	83,590	200,000				-200,000
FEES, SALES AND SERVICES	5,624,682	5,663,716	7,003,379	7,110,360	7,100,295	-10,065	96,916
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	4,610,697	5,124,461	3,850,393	4,266,145	4,266,145		415,752
TRANSFERS	192,706	303,577	28,342	16,092	36,092	20,000	7,750
FUND BALANCES			450,777	40,444	40,444		-410,333
Total Financing by Object	14,386,710	14,313,396	15,060,891	14,981,207	15,097,190	115,983	36,299
Percent Change from Previous Year		-0.5%	5.2%	-0.5%	0.8%	0.8%	0.2%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees, related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct-charge approach, recording each department's costs in their own department budget. In the case of small offices, like OFS, a shift was made of the costs of workers' compensation. Costs which were previously included in the indirect allocation in the fringe benefits budget were shifted into a central pool for small offices in the general government accounts general fund budget. Finally, a \$39,447 spending reduction was imposed on the department's adjusted general fund budget to help control general fund spending, and to meet the third round of announced cutbacks in the State's 2005 local government aid funding.

- increasing revenue by \$90,000 to be used for marketing by the RiverCentre and the Convention and Visitors' Bureau to jointly promote the RiverCentre. Revenue sources for this are a transfer from the fund for Science Museum debt service and excess hotel/motel revenues.

Mayor's Recommendations

The recommended 2005 general fund budget of the Office of Financial Services (OFS) is \$1,880,514, which is \$30,571 less than the adopted 2004 budget.

Spending for a 0.4 FTE was added to the 2005 general fund budget to fully fund the Vendor Outreach Program Coordinator position. The coordinator position has been funded half-time through the joint vendor certification program with Minneapolis, and with Ramsey and Hennepin Counties. This will allow the person to work full-time on behalf of the City's outreach efforts, increasing visibility among the local targeted vendor community.

In this budget, a vacant FTE responsible for counter work was eliminated. Duties have been reassigned to other staff, and Treasury counter hours have been reduced. This position was in special funds. Overall, there is a reduction of 0.4 FTEs, between general, special, and debt service funds, from 2004 to 2005.

Council Actions

The city council adopted the Office of Financial Services budget and recommendations as proposed by the Mayor, and approved the following additional changes:

- deleting \$10,065 revenue coming to the Fund 050 central service activity, and in turn, deleting a like amount of transfer to the General Fund.
- increasing the transfer to the Convention and Visitor's Bureau by \$111,048, financed by an increase in hotel/motel revenue collections.

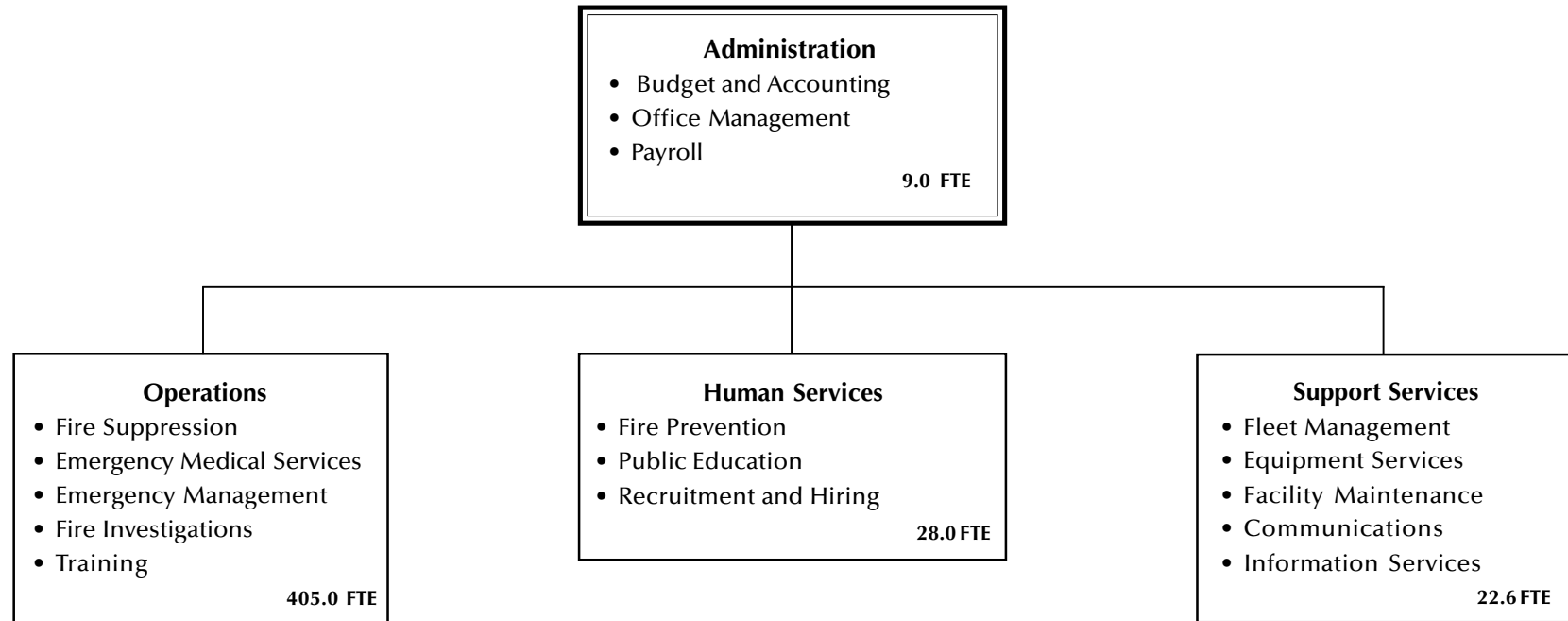
Fire and Safety Services

Mission Statement

To protect the life and property of people in Saint Paul by providing quality service, by dedicated professionals.

Fire and Safety Services

(Total 464.6 FTEs)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

- Our Department solicits input from each customer after they are involved in an emergency response with St. Paul Fire. Survey forms are given to all individuals as follow up after they use our services in an incident. We ask them to rate our response and service regarding their specific incident using a scale from 1-6 (1 = below expectations and 6 = exceeded expectations) and provide reaction to our performance. In 2003, we received a 5.2 overall rating for EMS response. We have consistently received "exceeded expectations" ratings since the start of the feedback program in the early 1990's. Information from the responses is used to monitor how well we provide our services to the citizens of Saint Paul. The information also plays a vital role in our quality control measures and processes. Follow up contacts are made to all customers that respond with negative ratings or comments. We use what we learn through this feedback to improve response, processes, techniques, and service.
- We established and implemented a pilot performance based critical skills assessment program for all fire companies. Through this initiative, employees are better managed and more committed to excellence in their jobs. Our operations are more productive, efficient, and the reduction of errors is evident.
- We achieved one of the lowest average sick days per employee in 2003. In 2003, the City's average sick days per employee was 8.75; the Fire Department's average sick days per employee was 7.23.
- Our Department has completed an updated and enhanced Emergency Operations Plan (EOP) for the City of Saint Paul. This plan provides the foundation for emergency personnel to respond to natural, chemical, or biological emergencies. The City's EOP is now in conformance with all Federal and State planning requirements.
- We established the first ALS/Engine Medic Company at Fire Station 19. This company is a six-member team available to respond to either a fire or medical emergency, maintaining a more consistent presence and availability in the community they serve.

2005 Priorities

- Continually improve our recruiting efforts and increase our diversity by targeting groups that will reflect the community we serve.
- Provide an appropriate and efficient EMS delivery system by implementing different levels of response according to the degree of emergency and match resource with need.
- Improve inter-agency radio communications through the integration of more advanced public safety radio equipment.
- Continue to monitor our service levels and response times to ensure the safety of our citizens, property, and personnel.
- Support a culture of innovations to improve internal and external customer service.
- Effectively manage fire suppression personnel, to maintain adequate safe staffing levels year round.
- To more effectively deploy its resources to control costs and increase financial self sufficiency, Fire Prevention will focus resources on prioritized target property issues.
- Provide a safer community through planning, partnerships, and programs based upon analysis of fire, injury, and inspection data. This will be accomplished through improved coordination and communication between fire suppression and fire prevention personnel. The department will also expedite enforcement, increase compliance, and deter repeat offenses.
- Continue to focus on our labor-management process promoting a cooperative team approach.

Fire & Safety Services

Department/Office Director: **DOUGLAS A HOLTON**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Adopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	37,735,551	38,654,897	39,833,158	41,921,146	42,222,986	301,840	2,389,828
505 EQUIPMENT SERVICES FIRE-POLICE	2,020,854	2,222,904	2,272,745	2,325,620	2,325,620		52,875
510 FIRE RESPONSIVE SERVICES	55,030	42,530	43,950	43,950	43,950		
735 FIRE FIGHTING EQUIPMENT	959,691	49,755	542,199	564,121	1,265,621	701,500	723,422
736 FIRE PROTECTION CLOTHING	202,756	222,958	229,573	229,573	229,573		
Total Spending by Unit	40,973,882	41,193,044	42,921,625	45,084,410	46,087,750	1,003,340	3,166,125
<u>Spending By Major Object</u>							
SALARIES	27,668,343	27,641,742	28,245,557	28,350,863	28,582,762	231,899	337,205
SERVICES	1,490,166	2,213,221	2,096,533	2,146,703	2,146,703		50,170
MATERIALS AND SUPPLIES	2,633,973	2,658,128	2,573,074	2,679,764	2,679,764		106,690
EMPLOYER FRINGE BENEFITS	7,555,028	8,016,787	8,865,288	9,999,811	10,067,042	67,231	1,201,754
MISC TRANSFER CONTINGENCY ETC	230,511	301,178	247,741	439,891	442,601	2,710	194,860
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	1,395,861	361,988	893,432	1,467,378	2,168,878	701,500	1,275,446
Total Spending by Object	40,973,882	41,193,044	42,921,625	45,084,410	46,087,750	1,003,340	3,166,125
Percent Change from Previous Year		0.5%	4.2%	5.0%	2.2%	2.2%	7.4%
<u>Financing By Major Object</u>							
GENERAL FUND	37,735,551	38,654,897	39,833,158	41,921,146	42,222,986	301,840	2,389,828
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	2,880,010	3,073,546	2,777,157	2,832,065	2,832,065		54,908
ENTERPRISE AND UTILITY REVENUES	1,527	2,953					
MISCELLANEOUS REVENUE	74,109	46,266	43,200	43,200	43,200		
TRANSFERS	229,573	229,573	229,573	229,573	229,573		
FUND BALANCES			38,537	58,426	759,926	701,500	721,389
Total Financing by Object	40,920,770	42,007,235	42,921,625	45,084,410	46,087,750	1,003,340	3,166,125
Percent Change from Previous Year		2.7%	2.2%	5.0%	2.2%	2.2%	7.4%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way the costs of workers' compensation are accounted for: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. So, a separate line item budget for workers' compensation was included in specific department activity base budgets. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Further adjustments were made to the Fire Department's base budget. Specifically:

- the addition of funding for a fire fighter test in 2005 with one half in the Fire department budget and one half in the Human Resources budget,
- restoring an ambulance replacement and communication equipment removed in 2004 back to the base for 2005, and
- anticipating \$100,000 of relocation costs related to Fire Station 8 in the budget.

Mayor's Recommendations

The general fund budget for the Fire department for 2005 is proposed at \$41,921,146, and is up \$2,087,988, or 5.2% from the adopted 2004 budget of \$39,833,158. The Fire Department also has \$3,163,264 in special funds budgets for 2005, which is up \$74,797, or 2.4% from the adopted 2004 budget of \$3,088,467.

Some other notable changes for 2005 include:

- an additional investment has been made for 2005 in fire apparatus and equipment plans to help accelerate the turnover of fire trucks and equipment, and reduce the age of the fleet.
- a 10% increase in paramedic transport rates, raising \$728,640 to support the Fire Department. The transport rate will increase from \$922 in 2004 to \$1,014 per run in 2005. The proposed increase would more closely match the St. Paul rate with the median rate of advanced life support fees collected in the east metro area.

Mayor's Recommendations (continued)

- replacement of 22 mini laptop computers for fire inspectors' use in the field, and
- added funding for the incremental salary and fringe cost between one captain and a district chief, which, when combined with the funding identified by fire department management for a captain in the 2004 budget and 2005 base, provides for an EMS coordinator.

City Council Actions

The city council adopted the Fire and Safety Services Department budget and recommendations as proposed by the mayor, and approved the following additional changes:

- added funding for five entry level fire fighter positions, and
- adjusted the Fire Fighting Equipment special fund budget to implement the Fire Apparatus Plan financed in the Mayor's Proposed budget.

The 2005 adopted budget is \$42,222,986 for the general fund, and \$3,864,764 in special funds.

Proud Traditions



Focus on the Future

FIRE PROTECTION DISTRICTS

District 1		District 3	
Station 10	754 Randolph	Station 4505	Payne
	Engine/Medic 10		Engine/Medic 4
	Ladder 10		Rescue/Hazardous-
Station 14	111 N. Snelling		Materials Squad 1
	Engine/Medic 14	Station 71038	Ross
	Rescue/Hazardous-		Engine 7
	Materials Squad 2		Ladder 7
Station 19	2530 Edgumbe	Station 91624	E. Maryland
	Engine/Medic 19		Engine/Medic 9
	Rescue Boat 19		Rescue Boat 9
Station 20	2179 University	Station 17	1226 Payne
	Engine 20		Engine/Medic 17
	Ladder 20	Station 24	273 White Bear
Station 23	1926 Como		Engine/Medic 24
	Engine/Medic 23		Ladder 24
	Engine 13		
District 2			
Station 1296	W. Seventh		
	Engine 1		
Station 5860	Ashland		
	Engine 5		
Station 633	Concord		
	Engine/Medic 6		
	Engine 15		
	Rescue Boat 15		
	Hovercraft 15		
Station 8100	E. Eleventh		
	Engine 8		
	Ladder 8		
	Arson Van		
	Public Education Van		
Station 18	681 University		
	Engine/Medic 18		
	Ladder 18		
Station 22	225 Front		
	Engine/Medic 22		
	Ladder 22		

Department of Fire and Safety Services

Providing emergency fire/disaster/medical & life-safety services for:

287,151	Residents
115,713	Housing Units
	(58,748 single-family units)
	(13,753 duplex units)
	(43,212 multi-family units)
5,016	Commercial/Industrial Properties
55.4	Square Miles
\$15,532,000,000	Estimated Real Estate Value
170,000	Landings & Takeoffs-Downtown Airport
61	Miles Main Line Railway
17.9	Miles Interstate Highway
23.5	Miles Mississippi River Waterway
11.4 million	Visitors (approximate)

2003 Average Response Times:

4 minutes, 5 seconds

4 minutes, 42 seconds

Response Times to Fire Calls

Response Times to Medic Calls



General Government Accounts

Mission Statement

To budget for services provided on a citywide basis and not directly associated with an operating department or office.

Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

- Working with the City's labor union representatives, city staff have managed the financial control of the costs related to city employee fringe benefits, including pensions, insurance, workers' compensation and severance pay.
- The audit of the City's 2003 financial records is complete, and the annual financial report has been prepared, printed and distributed.
- Tort claims levied against the City and approved by the city council have been managed, and claimants paid from department budgets. Tort budgets are now distributed to departments, and a central budget no longer exists.
- The City's interests and share of costs for the operation of city hall, including security issues in the aftermath of 9/11/01, have been managed.
- The citizen participation program and the neighborhood crime prevention programs were funded.
- Election services to the citizens of Saint Paul were provided.

2005 Priorities

- The city council staff manage the Civic Organization Partnership program and the budget for the Charter Commission.
- The City Attorney's Office oversees the Tort Liability budget and administers the budget for any use of law firms and expert legal service outside of the city attorney staff.
- The Citizen Services Office is responsible for the elections services budget.
- The Office of Financial Services works with the budgets for pensions, severance pay, state auditor, the contribution to the capital budget, the Capital Improvement Budget committee, financial forms, employee parking, and refunds.
- Mayor's Office staff controls the budget for the City's municipal memberships and dues.
- The Real Estate unit of Public Works deals with exempt and forfeited property assessments and the service and operations of the city hall building.
- Human Resources (risk management) leads the citywide effort to control the costs associated with workers compensation, employee and retiree health insurance, torts, and unemployment compensation, and manages the surety bonds budget. For 2005, the accounting approach for workers' compensation costs will change from an indirect approach to a direct one. There will no longer be a central budget for workers' compensation, but rather the responsibility and budgets will be distributed to departments.
- The Planning and Economic Development staff directs the budget for Citizen Participation and the Neighborhood Crime Prevention program.

General Government Accounts

Department/Office Director: **MATTHEW G SMITH**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Adopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	7,935,087	7,334,618	5,962,766	6,352,992	6,273,396	-79,596	310,630
720 DEBT-CAPITAL IMPROVEMENT FUND	129,322						
Total Spending by Unit	8,064,409	7,334,618	5,962,766	6,352,992	6,273,396	-79,596	310,630
<u>Spending By Major Object</u>							
SALARIES	103,227	72,202	70,594	4,954	4,954		-65,640
SERVICES	2,491,954	2,435,702	2,765,259	2,729,495	2,614,432	-115,063	-150,827
MATERIALS AND SUPPLIES	98,663	57,708	15,469	26,404	26,404		10,935
EMPLOYER FRINGE BENEFITS	47,200	-25,003	-65,102	80,134	80,134		145,236
MISC TRANSFER CONTINGENCY ETC	3,653,906	3,498,994	3,176,546	3,512,005	3,547,472	35,467	370,926
DEBT	1,090,338	939,892					
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	579,121	355,123					
Total Spending by Object	8,064,409	7,334,618	5,962,766	6,352,992	6,273,396	-79,596	310,630
Percent Change from Previous Year		-9.0%	-18.7%	6.5%	-1.3%	-1.3%	5.2%
<u>Financing By Major Object</u>							
GENERAL FUND	7,935,087	7,334,618	5,962,766	6,352,992	6,273,396	-79,596	310,630
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	116,910	34,435					
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE		4,671					
TRANSFERS							
FUND BALANCES							
Total Financing by Object	8,051,997	7,373,724	5,962,766	6,352,992	6,273,396	-79,596	310,630
Percent Change from Previous Year		-8.4%	-19.1%	6.5%	-1.3%	-1.3%	5.2%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way the costs of workers' compensation are accounted for: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. So, a separate line item budget for workers' compensation was included in specific department activity base budgets. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Further adjustments were then made to the base. Specifically:

- adjusting the 2004 estimates for financing for pension aids to bring them to an expected 2005 level, and
- establishing the central reserve for workers' compensation costs for small offices with no consistent history of workers' compensation claims, and
- employee benefit costs were projected, included in the base, and then considered in the approach that distributes those total costs to the city departments' budgets through the budget system using the "fringe rate" process.

Mayor's Recommendations

The proposed general fund budget for the General Government Accounts for 2005 is \$6,353,991, and is up \$331,770, or 5.5% from the adopted 2004 budget of \$6,022,221. The General Government Accounts have no special fund budgets.

Some notable changes recommended by the Mayor include:

- applying funding from the general fund and the Community Development Block grant to increase the district councils' budget as suggested by the proposal submitted by the Ad Hoc Committee on Citizen Participation,
- removing the one-time 2004 budget for the initial assessment and start up design work related to a 311 citizen response phone system for Saint Paul,

Mayor's Recommendations (continued)

- adding to the Exempt and Forfeited Property Assessments budgets to cover anticipated city assessment rate increases related to lighting,
- modifying the municipal memberships budget for some minor changes in dues, and
- including the normal annual increase in the elections contract with Ramsey County.

City Council Actions

The city council adopted the General Government Accounts budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- providing for a contribution to the Childrens' Collaborative program,
- rolling the one-time 2004 budget for the initial assessment and start up design work related to a 311 citizen response phone system for Saint Paul over into the 2005 budget, and
- reducing the budget for City Hall and Courthouse operations to reflect the space shift from the City (Information and Complaint) to the County (Family Courts).

The City Council made these further changes:

- added funding to the Non Profit Performance Contract Program for a new function (Southern Minnesota Regional Legal Services HALO) and a cost of living adjustment.

The 2005 adopted budget is \$6,273,396 for the general fund, and nothing in special funds.

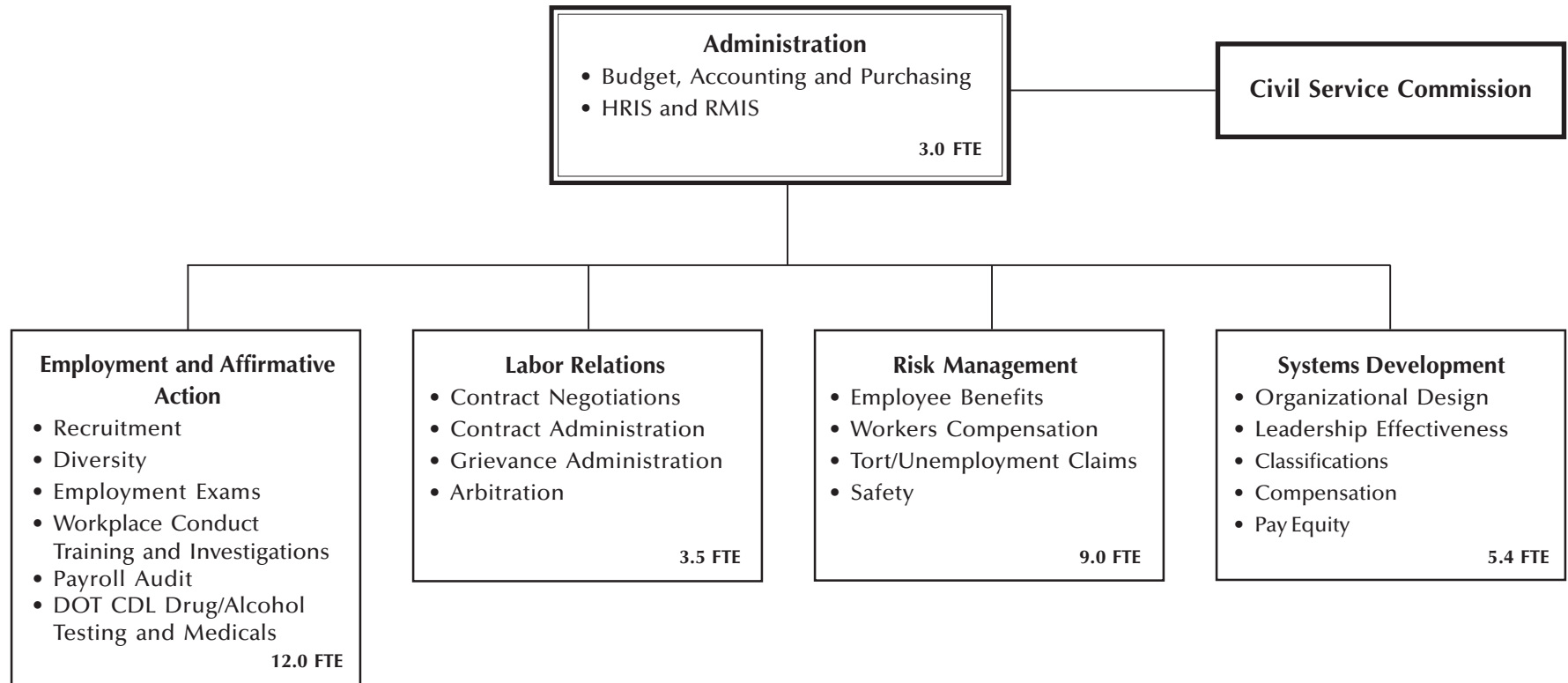
Office of Human Resources

Mission Statement

Providing the City with effective and efficient Human Resources services and expertise.

Human Resources

(Total 32.9 FTEs)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

- Completed phase I of the applicant/exam system (HUMRES) conversion to Oracle with the Office of Technology.
- Redesigned the website to create more self service features for employees, managers, City retirees, and the general public.
- Planned, designed, maintained, and implemented competency-based human resource systems for the City, which saves dollars, establishes performance parameters, and equitably compensates individuals for work done.
- Maintained the city's compliance with the State of Minnesota's Pay Equity Act for the 12th consecutive year.
- Provided organizational design and development coaching for all Department/Office Directors and Managers faced with restructuring, merging operations, or dealing with internal coordination issues.
- Increased the leadership effectiveness of 50 supervisors or potential supervisors through the First Line Supervisory Training Academy.
- Planned and implemented the 11th Annual Years of Service Breakfast recognition for approximately 125 participants.
- Streamlined and standardized recruitment and assessment processes and procedures.
- Revised the City diversity goals and plan based upon new census data.
- Completed the City/HR diversity plan; and assisted departments in developing their diversity plans.
- Collaborated with Police, Fire, and Parks and Recreation on special recruitment projects.
- Completed recruitment and assessment processes for 3 department directors.
- Collaborated with Ramsey County on the Library Clerk exam.
- Successfully merged Risk Management into the Office of Human Resources.
- Negotiated a 2005 contract with Medica for health benefits for the city's regular retirees that controlled costs with less than a 6% premium increase.

2005 Priorities

- Successfully complete the Fire Fighter entrance exam with an increase in the number of qualified women and minorities hired into the position of Fire Fighter without litigation.
- Work with the Office of Technology to complete phase II of the applicant/exam system (HUMRES) conversion to Oracle.
- Explore system improvements and investments to decrease manual processes
- Simplify payroll processing through policy change and labor contracts.
- Assist departments and offices to achieve their diversity goals.
- Provide citywide diversity training.
- Collaborate with Ramsey County to share eligible lists for common entry level positions

Human Resources

Department/Office Director: **ANGELA S NALEZNY**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Adopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	2,718,718	2,419,574	3,010,636	3,123,503	3,123,503		112,867
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND				50,000	50,000		50,000
Total Spending by Unit	2,718,718	2,419,574	3,010,636	3,173,503	3,173,503	0	162,867
<u>Spending By Major Object</u>							
SALARIES	1,712,090	1,421,525	1,781,663	1,807,181	1,807,181		25,518
SERVICES	415,248	462,403	594,553	646,762	738,912	92,150	144,359
MATERIALS AND SUPPLIES	61,278	40,270	45,340	54,495	54,495		9,155
EMPLOYER FRINGE BENEFITS	523,010	477,136	582,580	566,305	566,305		-16,275
MISC TRANSFER CONTINGENCY ETC	360	808	1,000	93,150	1,000	-92,150	
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	6,732	17,432	5,500	5,610	5,610		110
Total Spending by Object	2,718,718	2,419,574	3,010,636	3,173,503	3,173,503	0	162,867
Percent Change from Previous Year		-11.0%	24.4%	5.4%	0.0%	0.0%	5.4%
<u>Financing By Major Object</u>							
GENERAL FUND	2,718,718	2,419,574	3,010,636	3,123,503	3,123,503		112,867
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES							
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE							
TRANSFERS							
FUND BALANCES				50,000	50,000		50,000
Total Financing by Object	2,718,718	2,419,574	3,010,636	3,173,503	3,173,503	0	162,867
Percent Change from Previous Year		-11.0%	24.4%	5.4%	0.0%	0.0%	5.4%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way the costs of workers' compensation are accounted for: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Further adjustments were made to the Human Resource's base budget. Specifically:

- the addition of funding for a fire fighter test in 2005 with one half in the Human Resources budget and one half in the Fire department budget, and
- a shift of the costs of workers' compensation from the indirect allocation in the fringe benefits budget of Human Resources into a central pool for small offices in the general government accounts general fund budget.

Mayor's Recommendations

The general fund budget for Human Resources for 2005 is proposed at \$3,123,503, and is up \$112,867, or 3.7% from the 2004 budget of \$3,010,636. Human Resources also has \$50,000 in special fund budgets in 2005.

Some other notable changes for 2005 include:

- the addition of funding related to staffing for diversity applicant recruitment,
- the shift of funding related to the workers' compensation administrator from the indirect fringe allocation charge into the Human Resources budget, and
- the move of the Flexible Spending Administrative activity from one fund in 2004 to another in 2005.

City Council Actions

The city council adopted the Human Resources budget and recommendations as proposed by the mayor.

City Council Actions (continued)

The 2005 adopted budget is \$3,173,503 for the general fund, and nothing in special funds.

Miscellaneous

The Office of Human Resources provides comprehensive services and support to the 12 City of Saint Paul departments and offices and to its 3000 employees. This includes: coordinating city-wide recruitment and assessment; conducting contract negotiations; providing employee and organization development; administering employee benefits, workers' compensation, employee compensation and job classification; providing risk management administration; and promoting a diverse employee workforce.

Employment and Affirmative Action -

Work with Departments and Offices in planning their staffing needs. Recruit qualified and diverse candidates for City job openings, conduct targeted recruitment, post job announcements, review applications, develop and administer tests. Conduct Workplace Conduct Policy training and investigation. Monitor City workforce protected class utilization/representation. Maintain service records of employees, interpret personnel policies and rules ,and audit payroll documents to ensure accuracy and compliance with policies.

Labor Relations -

Negotiate and administer all of the collective bargaining agreements between the City and exclusive representatives of the City employees. Represents City management in all facets of labor relations, including arbitrations, bargaining unit determinations, labor management committees, policy development and grievance handling and advise City managers on employee issues such as sick leave, performance and discipline.

Risk Management -

Organize, coordinate, and provide management assistance to all City risk treatment programs. Provide financial and program management of all City employee benefit functions. Identify, measure, analyze and report property, casualty, and liability risks. Administer the City's worker's compensation program.

Systems Development -

Develop organizational capacity by redesigning structures, restructuring jobs, enhancing team and leadership effectiveness, addressing performance management issues, and developing strategic and operational plans. Perform job analyses, establish class specifications as a tool for management, and determine appropriate compensation based on principles of comparable worth.

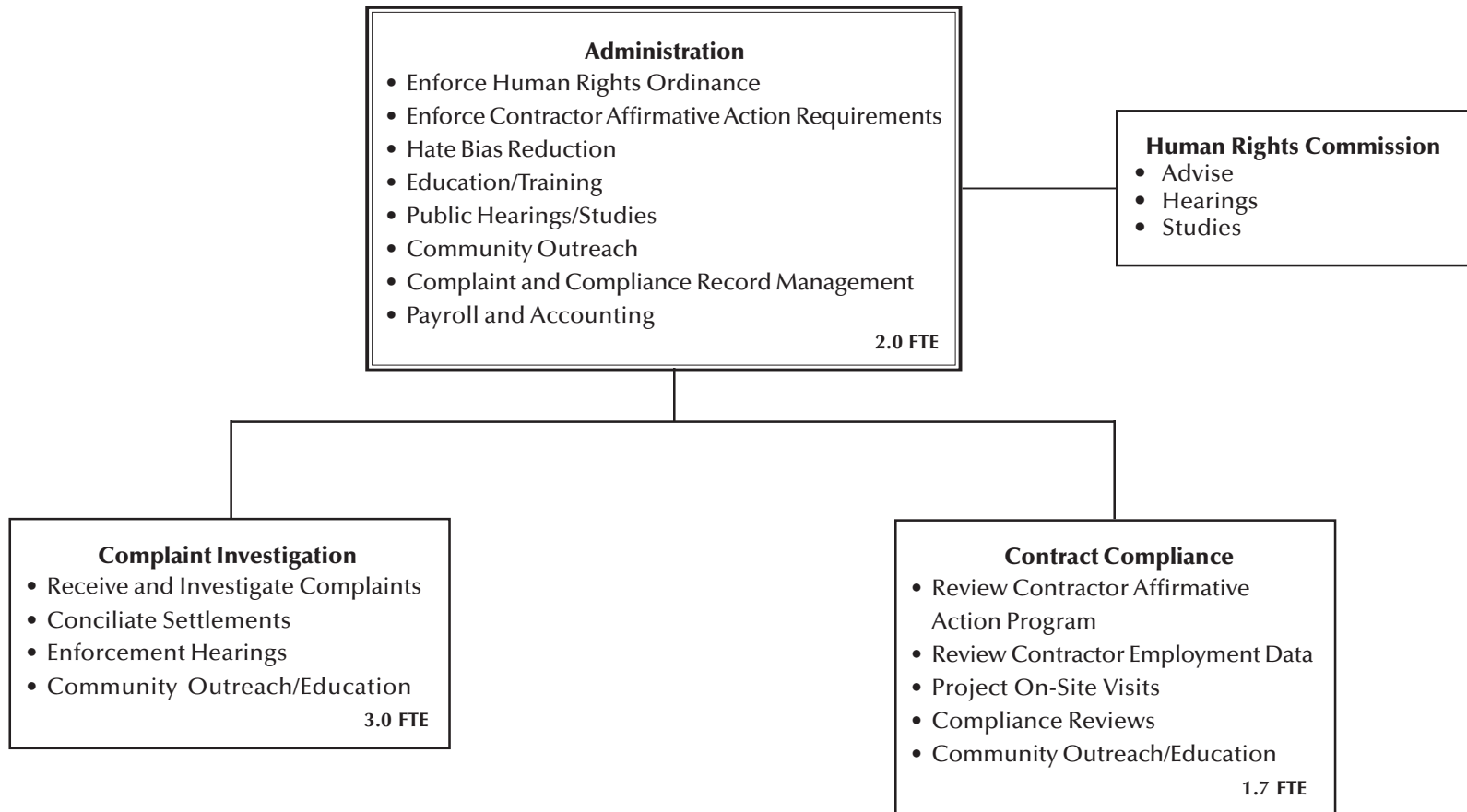
Human Rights

Mission Statement

To prevent and eliminate discrimination by: Enforcing the provisions of Chapter 183 of the Saint Paul Legislative Code (Human Rights Ordinance) and its Rules Governing Affirmative Requirements in Employment; Providing educational and training opportunities that enable recipients to create equitable living and working environments; Facilitating collaborations with and between individuals, agencies, and organizations to maximize community resources towards the prevention and elimination of prejudice, racism and discrimination.

Human Rights

(Total 6.7 FTEs)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

- Accomplished a measurable increase in charges submitted by members of our Hispano community and continue to house a staff person to do intakes at CLUES every Wednesday.
- Launched the “Stop the Violence” public relations campaign in partnership with Clear Channel Communications, Minneapolis Police Department, Saint Paul Police Department, City, Inc., University of Minnesota, Somali Confederation of Minnesota and Heart of the Earth Survival School, delivering a strong message of unity and violence prevention among youth.
- Outreach to schools within the City of Saint Paul regarding prejudice, racism and discrimination.
- Increased outreach efforts in the Somali community with educational forums related to employment, education, public accommodations, public services and housing. Also increased outreach efforts with community based organizations who work directly within the Somali community.

2005 Priorities

- Fair Housing Project - Pair-testing, surveying and monitoring of banks and lending institutions on best practices and fair lending practices; Pair testing, surveying and monitoring of problem rental properties; Outreach and education will continue in a limited capacity in 2005.
- Hate-Bias Incident Response Team Network - Stop Hate! Collaborative partnerships for on-site intakes at respective community based organizations will continue in a limited capacity and as needed in 2005.
- Increase in outreach efforts with the GLBT community including Twin Cities Pride events and meetings with leadership in the community regarding effective outreach and education efforts.

Human Rights

Department/Office Director: **WILLIAM H TERRILL**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Addopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	791,510	631,802	532,632	520,361	520,361		-12,271
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND	68,371	43,163	47,614	79,119	79,119		31,505
Total Spending by Unit	859,881	674,965	580,246	599,480	599,480	0	19,234
<u>Spending By Major Object</u>							
SALARIES	584,955	468,047	399,958	422,979	422,979		23,021
SERVICES	87,020	39,261	34,657	33,448	33,448		-1,209
MATERIALS AND SUPPLIES	7,307	3,338	8,800	6,400	6,400		-2,400
EMPLOYER FRINGE BENEFITS	180,599	163,719	135,331	135,153	135,153		-178
MISC TRANSFER CONTINGENCY ETC		600	1,500	1,500	1,500		
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object	859,881	674,965	580,246	599,480	599,480	0	19,234
Percent Change from Previous Year		-21.5%	-14.0%	3.3%	0.0%	0.0%	
<u>Financing By Major Object</u>							
GENERAL FUND	791,510	631,802	532,632	520,361	520,361		-12,271
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	22,600	60,600	26,100	59,252	59,252		33,152
FEES, SALES AND SERVICES	170	204					
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE							
TRANSFERS	27,000						
FUND BALANCES			21,514	19,867	19,867		-1,647
Total Financing by Object	841,280	692,606	580,246	599,480	599,480	0	19,234
Percent Change from Previous Year		-17.7%	-16.2%	3.3%	0.0%	0.0%	

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services.

The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. Human Rights' workers' compensation are now budgeted in a central pool for small offices in the general government accounts general fund budget.

Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Mayor's Recommendations

To have a part-time Human Rights Specialist work full-time but still keep the Department's general fund budget at its base level, the Mayor's Proposed Budget: increases federal Equal Employment Opportunity Commission (EEOC) revenues by \$12,500 from working an additional 25 cases in 2005; adds the remaining EEOC fund balance (accumulated from previous years); and shifts some non-personnel expenses to salaries and fringe benefits in the Department's General Fund budget. These changes allow the Department to have the Human Rights Specialist work full-time for nine months.

For the remaining funding of this position, the Department will initiate a HUD contract in the latter part of 2005 to generate additional revenues from investigating housing discrimination cases. This component requires that the Minnesota Legislature grant the City a waiver from the housing discriminations damages cap currently in state law.

Council Actions

The city council adopted the Human Rights budget as proposed by the Mayor.

Miscellaneous

Complaint Investigation/Enforcement

It is the public policy of the City, as established in Chapter 183 of the Legislative Code, to foster equal opportunity for all to obtain employment, education, real property, public accommodations, public services, contract and franchise without regard to their race, creed, religion, sex, sexual or affectional orientation, color, national origin, ancestry, familial status, age, disability, marital status or status with regard to public assistance, and strictly in accord with their individual merits as human beings. The department receives and investigates complaints from citizens who believe they have been discriminated against or treated in a manner that violates public policy.

During 2003, the Department handled over 11,500 calls from citizens that alleged discriminatory treatment or questions related to the Ordinance and the Rules. The Department accepted 171 complaints for full investigation.

Equal Employment Opportunity/Affirmative Action Contract Enforcement

The City requires that every contractor, who enters a contractual agreement to do business with the City, be an equal opportunity employer. To this end, contractors and companies should engage in and carry out affirmative action programs to assist protected class persons to become successful participants in the work force.

Every contractor, who enters into a contract or agreement with the city to provide goods or services and whose aggregate contracts total \$50,000 or more during the preceding twelve months, must develop and submit for review and approval by the Human Rights Department, their company's written affirmative action program.

Employment goals to address underutilization of women and minority workers are set for each construction project. The General Contractor for each project must make "good faith efforts" to achieve the utilization goals. The Department also monitors supply/service contractors' "good faith efforts" to recruit, hire, promote and retain qualified women and minorities in all levels of employment.

Elimination And Prevention

In 2005, the Department of Human Rights will continue its outreach and education efforts in a limited capacity. It will continue to engage in activities designed to prevent and eliminate prejudice, racism and discrimination, and acts of violence and bias. The dissemination of linguistically and culturally appropriate materials, hosting of workshops and the further implementation of the "Prejudice Isn't Welcome" campaign to educate citizens of the City on issues of prejudice, racism and discrimination will contribute to making our city safer for all its constituents.

The department will also implement marketing and outreach strategies to educate all our diverse communities on how to better access the services provided by the department. The following are marketing and outreach strategies for 2005:

- Giving the department greater visibility within community events by attending at least 50 community events, forums and/or meetings.
- Conduct a minimum of 4 public hearings to gather information on issues of discrimination and racism most relevant to community.
- Execute a department marketing and public relations campaign explaining how to access the services provided by the department.
- Work along with the Saint Paul Public Schools to eliminate prejudice, racism and discrimination in the schools by hosting 20 educational sessions at various schools in the District.
- Liaison with the business community to create employment opportunities for women and minorities through the Construction Partnership Program..

Hate/bias Response Plan

The Department of Human Rights and the Human Rights Commission developed a Hate/Bias Response Plan in 1998. The department and commission are currently working with community groups to implement the Plan to reduce hate/bias incidents and crimes in the city by creating a citywide network to counter hate/bias incidents by providing support and solidarity to victims of hate/bias incidents and to send a clear message that the community of Saint Paul will not tolerate expressions of hate or bias towards any member of the community.

The Fair Housing Project

The Department of Human Rights, the Human Rights Commission, the Minneapolis Civil Rights Office and the State Department of Human Rights in November of 2000 joined efforts in creating, training and recruiting a pool of pair-testers to assist each office in surveying and monitoring problem rental properties, banks and lending institutions.

Please contact the Department of Human Rights at 651-266-8966 for information on how you can participate in any of our educational, outreach or pair-testing programs.

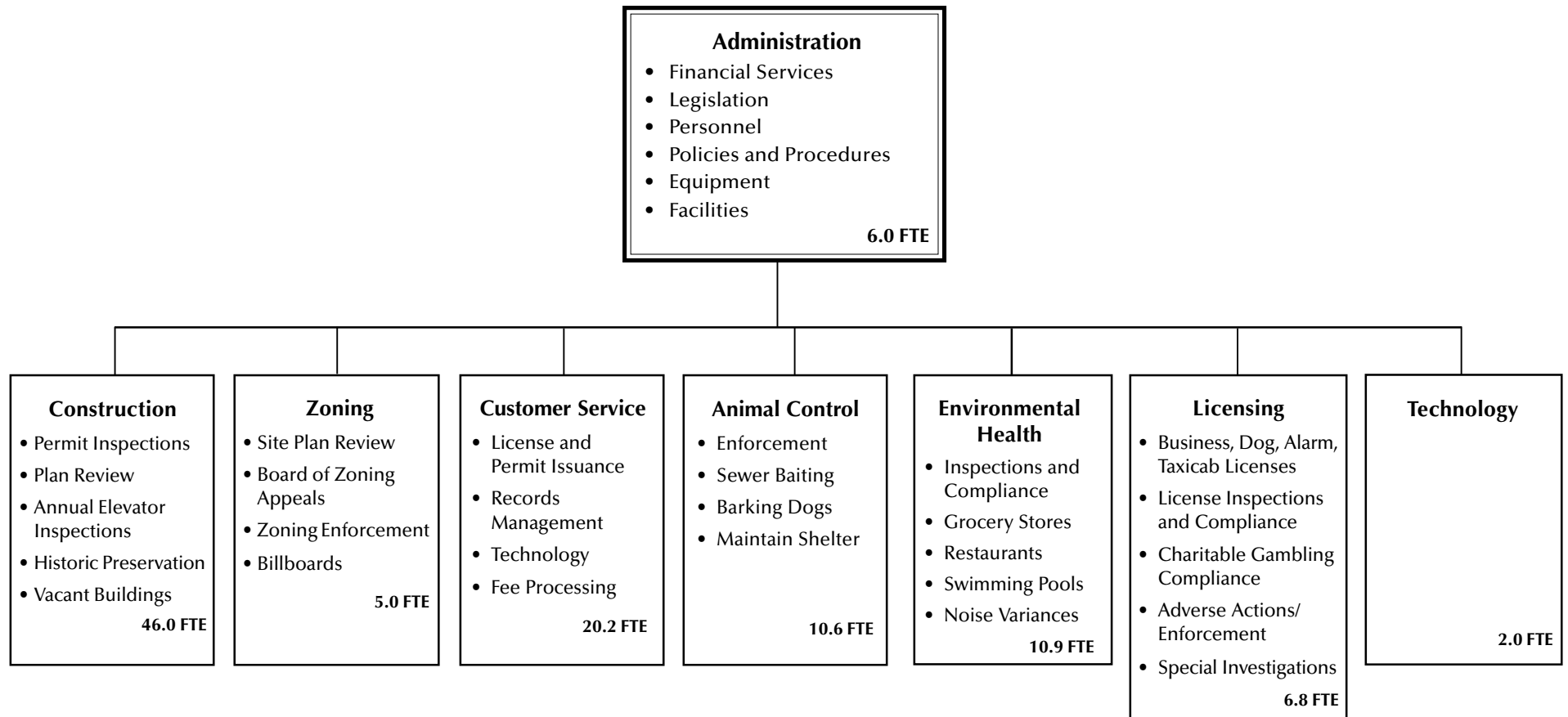
Office of License, Inspections and Environmental Protection

Mission Statement

To set a standard of excellence as a dynamic, and innovative organization that ensures public health and safety and consistently exceeds customer expectations.

License, Inspection, and Environmental Protection

(Total 107.5 FTEs)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

- Improved communications with contractors and the general public by providing the LIEP brochure in Spanish.
- Fully implemented the absorption of the Zoning activity into Special Fund 320, to further lessen dependence on State LGA and the Saint Paul General Fund.
- Continued noise monitoring of the Gopher State Ethanol Plant.
- Worked to eliminate several problem businesses in an effort to make Saint Paul a more liveable City.
- Improved revenue streams and reduced dependence on use of special fund balances by implementing new user fees and fee increases necessary for revenue to better cover the costs of the services provided.
- Increased efforts in the area of gambling enforcement led to 7 arrests for gambling related activities.
- Provided internships in both Plan Review and Historic Preservation.
- Drafted and passed legislation providing financial incentives for dog owners to spay or neuter their pets and increased running-at-large fees for dogs repeatedly caught in order to hold owners responsible and get these animals off the streets, again making the city a safer place.
- Trained building inspectors to determine soundness of infrastructure in aftermath of terrorist attacks or other disasters.
- Hired five ethnic minorities out of nine new hires.
- Provided same day inspections to keep projects moving. This benefits contractors, citizens and the general public.
- Completed over 5,000 online permits saving 5-20 minutes of LIEP staff time and 10-30 minutes in customer time per permit.
- Led a major negotiating process leading to continued reciprocity with Minneapolis on trade competency cards.

2005 Priorities

- Launch an in-depth license fee study to ensure that fees are commensurate with enforcement costs for 2006.
- Continue increased active investigative process on illegal and legal gambling.
- Improve the project facilitation process in LIEP by eliminating inefficiencies and designating additional project facilitator resources.
- Assist in heightened enforcement of tattoo and body piercing establishments.
- Increase the number of field computers and continue our transition to paperless inspection records.
- Increase elevator inspection, restaurant license and zoning fees to more adequately cover the costs of these activities.
- Continue to increase LIEP's diversity by hiring more qualified protected class employees.
- Continue to identify gaps in the emergency food network to protect Saint Paulites in the event of a bio-terrorism attack.
- Maintain reciprocity with Minneapolis on trade competency cards.
- Work with the Mayor's Office and City Council to determine a more efficient and comprehensive strategy to deal with adult use establishments.
- Clarify regulatory authority of relevant departments and launch an educational campaign regarding vending near the State Fair in conjunction with the City Attorney, Public Works and the Saint Paul Police Department.
- Work with the Department of Planning and Economic Development to better integrate the two departments' processes on development projects.
- Work cooperatively with Chief Harrington to establish better communication and working relationships with the Saint Paul Police Department.
- Continue to increase the number of building permits completed online.

License, Inspections & Env. Protect

Department/Office Director: **JANEEN E ROSAS**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Adopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	1,267,412	761,009	735,975	732,857	732,857		-3,118
167 CHARITABLE GAMBLING ENFORCEMENT	322,488	361,587	375,176	363,481	363,481		-11,695
320 LICENSE INSPECTIONS & ENV PROTECTIO	8,671,901	9,203,622	9,627,640	9,908,416	10,035,858	127,442	408,218
Total Spending by Unit	10,261,801	10,326,218	10,738,791	11,004,754	11,132,196	127,442	393,405
<u>Spending By Major Object</u>							
SALARIES	6,140,152	6,056,883	6,212,527	6,536,085	6,536,085		323,558
SERVICES	1,444,916	1,686,411	1,742,911	1,596,705	1,724,147	127,442	-18,764
MATERIALS AND SUPPLIES	271,895	137,132	260,857	288,221	288,221		27,364
EMPLOYER FRINGE BENEFITS	2,162,814	2,238,466	2,314,480	2,406,473	2,406,473		91,993
MISC TRANSFER CONTINGENCY ETC	162,421	207,326	207,367	176,608	176,608		-30,759
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	79,603		649	662	662		13
Total Spending by Object	10,261,801	10,326,218	10,738,791	11,004,754	11,132,196	127,442	393,405
Percent Change from Previous Year		0.6%	4.0%	2.5%	1.2%	1.2%	3.7%
<u>Financing By Major Object</u>							
GENERAL FUND	1,267,412	761,009	735,975	732,857	732,857		-3,118
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS	7,687,291	7,983,834	8,859,880	8,821,091	8,888,459	67,368	28,579
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	1,133,371	1,273,968	1,211,421	1,460,655	1,460,655		249,234
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	56,435	28,496	34,000	28,000	28,000		-6,000
TRANSFERS	1,000	1,000	1,000	30,600	30,600		29,600
FUND BALANCES			-103,485	-68,449	-8,375	60,074	95,110
Total Financing by Object	10,145,509	10,048,307	10,738,791	11,004,754	11,132,196	127,442	393,405
Percent Change from Previous Year		-1.0%	6.9%	2.5%	1.2%	1.2%	3.7%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services.

The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. So, a separate line item budget for workers' compensation was included in specific department activity base budgets.

Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Mayor's Recommendations

The Proposed Budget maintains the same FTE complement and service levels as in 2004. To ensure fees cover the associated inspection and permitting costs, the Mayor is proposing the following increases:

- Animal boarding fees increase from \$14 to \$16 per day (\$1,636 generated)
- Restaurant inspection fees increased \$125 to \$175 for most restaurants. The Food/Institutional Facility License is eliminated and K-12 schools placed in their own license category. All other institutions are reassigned to the appropriate restaurant category (0-12 seats or more than 12 seats). Total additional revenues are \$193,000.
- Increase Annual elevator inspection fee by an average of \$9 (\$18,500 generated).
- Increase the fees for appealing administrative decisions to the Board of Zoning Appeals by \$54 to \$118 depending on type of appeal (\$13,706 generated).
- Increase site plan review fees by \$23 for residential units (1-4 units) and \$88 for all other uses (\$8,300 generated).

Council Actions

The City Council adopted the LIEP budget and recommendations as proposed by the Mayor, and approved the following changes recommended by the Mayor:

- A \$127,000 transfer from LIEP to the City Attorney's Office to fund an attorney position devoted to LIEP.
- A \$67,000 increase in new and existing sign permit fees to cover the business sign permitting and inspection process.

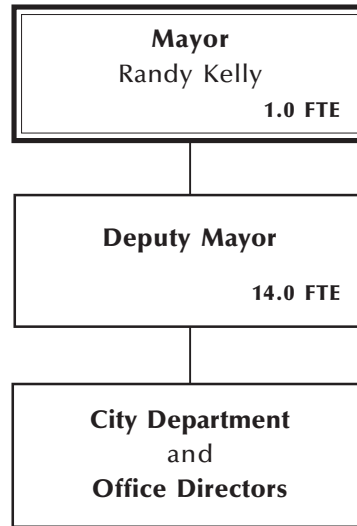
Mayor's Office

Mission Statement

To direct the operation of the City and promote the interests of its citizens and its businesses.

Mayor's Office

(Total 15.0 FTEs)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

- **State cuts to LGA** When faced with a state budget crisis and expected loss of millions of dollars in Local Government Aid, the City acted swiftly and strategically. By demanding more efficiency in how we do business, we significantly limited employee layoffs and cuts in key citizen services.
- **Public Safety** We maintained a strict commitment to public safety, despite facing one of the city's most severe budget crises in its history. The department moved to a new state-of-the-art headquarters, improving operations efficiency. The city also cooperated with Ramsey County and the state on a new 800Mhz technology for emergency communication.
- **Housing 5000** We exceeded our two-year goal of building 2,500 new housing units in our initiative to build 5,000 in four years. Downtown residential building continues to progress, and we celebrated with ground-breakings for two large riverfront housing developments.
- **Bio-tech initiative** The city continues to move ahead on its key economic development project to create a bio-sciences corridor near the University of Minnesota Saint Paul campus. The city has raised \$8 million to build a new bio-tech incubator, and several companies have agreed to move into it, representing the first steps in bringing thousands of new, high-paying jobs to our area.
- **Targeted economic development assistance** We launched several strategic initiatives to help small and large businesses move to or expand in our City that will further increase our tax base. These initiatives included a city-backed loan program through community banks to assist small minority- and women-owned businesses, and incentives to businesses located outside Saint Paul to move and invest here with high-paying jobs.

2005 Priorities

We continue on a path to keep Saint Paul affordable, safe and growing by short- and long-term strategic investment in a few targeted areas.

- **Affordability:** The 2005 budget will continue to make Saint Paul more affordable compared to other nearby communities, in order to compete for business development and jobs, and remain desirable for new as well as long-time residents. For the 12th year in a row, the city budget will cause no increase in the overall amount of property taxes collected by the city. To avoid a property tax increase and still maintain services while absorbing another state LGA reduction in excess of \$3 million, city revenues will be increased in ways that are most fair to our taxpayers. Over the long term property taxes on Saint Paul citizens can best be kept affordable by preserving and increasing our overall tax base so the cost of services can be spread most broadly.
- **Preservation and growth of our tax base:** We must continue to look for and invest in ways to preserve and increase our tax base if we are to continue to provide City services without large increases in property taxes.
- **Healthcare:** Health care is a vibrant and growing part of our economy, and is the largest private employer in Saint Paul. We are working with our legislative delegation to secure \$2.5 million in state bonding to begin creating a new Health Care Education Center near our downtown hospitals.
- **Housing 5000:** We will continue to work with our partners to meet our goal to build 5,000 new housing units by the end of 2005. We are capitalizing on a nationwide trend, which is a return to urban core living by two key demographic segments: empty nesters, with significant wealth and disposable income; and young adults, who because of low mortgage rates can own a home for the same cost as renting.
- **Bio-tech:** We have begun planning additional facilities in the Midway area, close to the University. The city also has a \$20 million dollar request in to the Legislature for infrastructure that will help us build a thriving biotechnology cluster with thousands of new jobs in the years to come.

Mayors Office

Department/Office Director: **DENNIS J FLAHERTY**

	2002	2003	2004	2005	2005	Change from	
	2nd Prior	Last Year	Adopted	Mayor's	Council	Mayor's	2004
	Exp. & Enc.	Exp. & Enc.	Budget	Proposed	Addopted	Proposed	Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	1,327,177	1,110,876	1,294,963	1,316,039	1,361,039	45,000	21,076
050 SPECIAL PROJECTS:GEN GOV ACCTS FUND	37,995	62,245	369,855	342,855	623,730	280,875	-27,000
Total Spending by Unit	1,365,172	1,173,121	1,664,818	1,658,894	1,984,769	325,875	-5,924
<u>Spending By Major Object</u>							
SALARIES	892,978	734,362	950,697	1,024,130	1,262,351	238,221	73,433
SERVICES	150,844	168,043	161,789	296,110	375,429	79,319	134,321
MATERIALS AND SUPPLIES	27,961	22,782	21,233	30,388	30,738	350	9,155
EMPLOYER FRINGE BENEFITS	281,201	237,500	305,761	290,766	298,751	7,985	-14,995
MISC TRANSFER CONTINGENCY ETC	12,188	10,434	225,338	7,500	7,500		-217,838
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS				10,000	10,000		10,000
Total Spending by Object	1,365,172	1,173,121	1,664,818	1,658,894	1,984,769	325,875	-5,924
Percent Change from Previous Year		-14.1%	41.9%	-0.4%	19.6%	19.6%	
<u>Financing By Major Object</u>							
GENERAL FUND	1,327,177	1,110,876	1,294,963	1,316,039	1,361,039	45,000	21,076
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE		7,904		217,855	408,730	190,875	217,855
FEES, SALES AND SERVICES							
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	74,500	115,450	237,885	125,000	215,000	90,000	-112,885
TRANSFERS							
FUND BALANCES			131,970				-131,970
Total Financing by Object	1,401,677	1,234,230	1,664,818	1,658,894	1,984,769	325,875	-5,924
Percent Change from Previous Year		-11.9%	34.9%	-0.4%	19.6%	19.6%	

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Further adjustments were made to the Mayor's Office base budget. Specifically:

- a shift of the costs of worker's compensation from the indirect allocation in the fringe benefits budget of the Mayor's Office into a central pool for small offices in the general government accounts general fund budget.

Mayor's Recommendations

The Mayor's Office proposed general fund budget for 2005 is \$1,316,039, an increase of \$21,076, or 1.6% from the adopted 2004 budget. The 2005 proposed budget for the Mayor's Office special fund is \$342,855 compared the 2004 adopted budget of \$369,855.

City Council Actions

The city council adopted the Mayor's Office budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- additional funding for receipt of grants and donations related to education initiatives (\$280,875)

The City Council made these further changes:

- added \$45,000 funding for miscellaneous expenditures.

The 2005 adopted budget is \$1,361,039 for the general fund, and \$623,730 in special funds.

Tax Dollars And The Services They Buy*

Look what less than a dollar a day can buy from city government!

Any citizen who pays property taxes wonders where the money goes.

The pie chart shows how your tax dollars are at work in the community.

Consider the property taxes on an average residential property (\$132,200)

in Saint Paul. In 2005, the owner will pay about \$1,298 in property taxes.

Of that amount \$336, or just 26%, will go to the City of Saint Paul.

That's less than a dollar a day.

Police and Fire services receive two of the larger portions of your city property tax dollar. For \$100 annually, property taxpayers of an average-priced home are provided with 24-hour law enforcement protection.

For \$70 a year, they receive around-the-clock fire and medical response.

In addition to their immediate response services, both departments offer invaluable education and prevention programs.

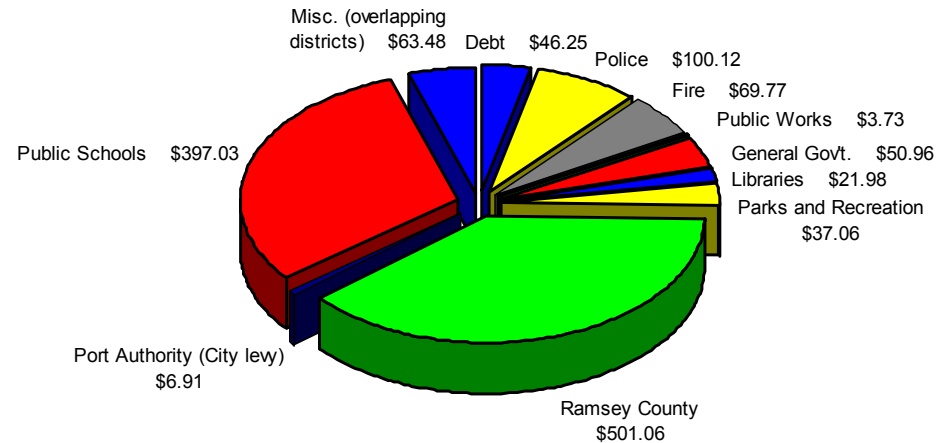
\$46 covers capital debt, the City's annual cost of repaying bonds that finance street construction, new libraries, recreation centers, children's play equipment and other capital improvements made over the last ten years.

\$37 goes to Parks and Recreation to provide a wide array of neighborhood recreational activities and to maintain and improve 42 recreation centers and 4,000+ acres of city park land.

For \$22, the Saint Paul Public Libraries offers taxpayers access to millions of books through the Metropolitan Library Services Association (MLSA) lending system and other library resources at their neighborhood libraries.

Estimated 2005 Saint Paul Property Taxes

2005 TNT Tax Rates Applied to a Typical Home valued at \$132,200



Certified Tax Levies	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net City Tax Levy	65,283,382	65,008,382	64,358,298	62,736,749	62,393,263	62,393,263	62,393,263	62,393,263	62,393,263	62,393,263	52,690,256	52,403,916
Library Agency**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,855,007	10,267,172
Port Authority Levy	<u>1,453,165</u>	<u>1,453,165</u>	<u>1,453,165</u>	<u>1,449,978</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,382,000</u>	<u>1,312,175</u>
Net Tax Levy	66,736,547	66,461,547	65,811,463	64,186,727	63,843,263	63,843,263	63,843,263	63,843,263	63,843,263	63,843,263	63,927,263	63,983,263

** Libraries became a separate agency (The Library Agency), which was adopted in 2003, and is no longer a part of the City of Saint Paul budget and/or tax levy.

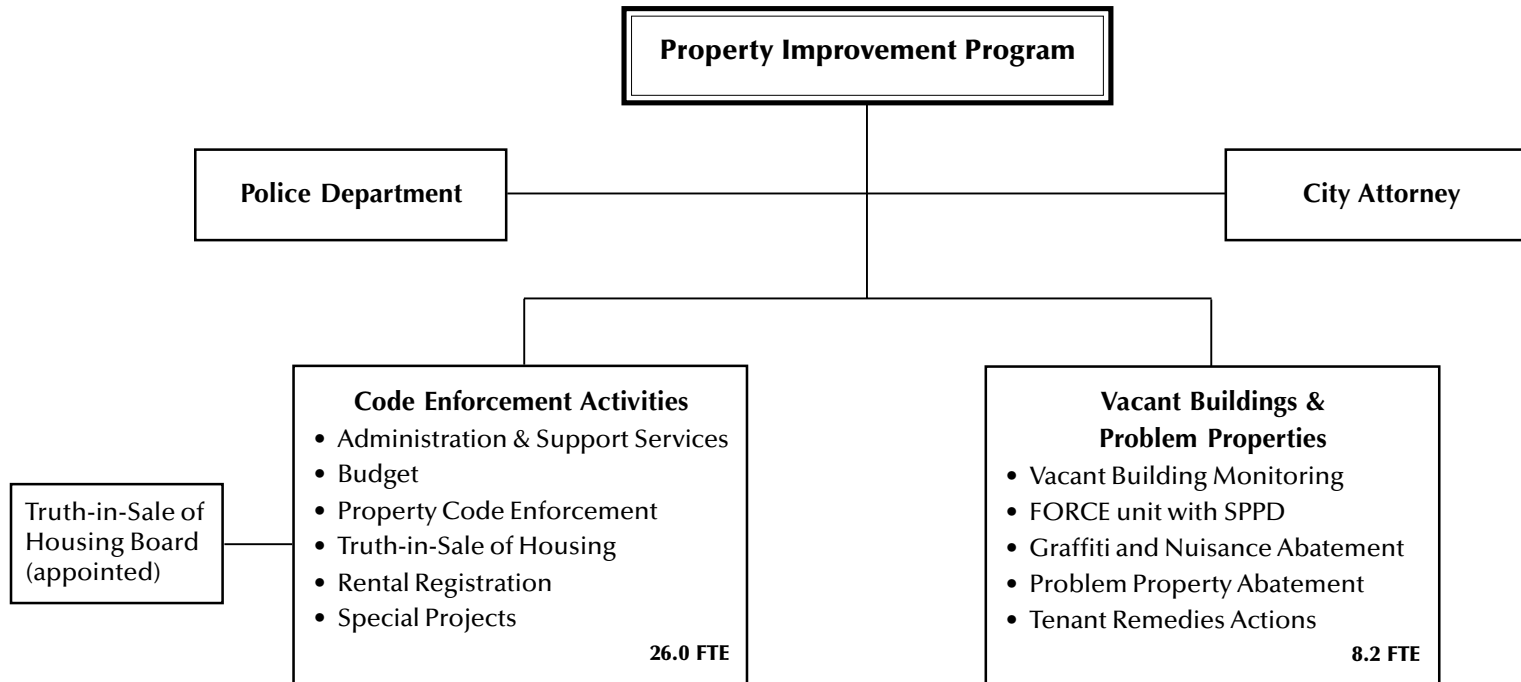
Neighborhood Housing and Property Improvement

Mission Statement

Our mission is (1) to keep the City clean (2) keep the housing habitable and (3) make our neighborhoods as safe and livable as possible.

Neighborhood Housing and Property Improvement

(Total 34.2 FTEs)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

Neighborhood Housing and Property Improvement

- The Department is inspecting to a higher standard.
- Productivity has doubled.
- Continuing success with “Sweeps”
- Daily patrolling by inspectors in their areas.
- Implemented new Excessive Consumption program which has worked well as a compliance tool
- Implemented a new Rental Registration Revocation program which has worked well as a compliance tool.
- Integrated Public Works Right-of-Way duties together with the transfer of two Right-of-Way Inspectors.
- The City is looking cleaner.
- The number of problem properties has been reduced.
- Citizens can track the progress of property improvement and complaints on-line.

2005 Priorities

Neighborhood Housing and Property Improvement

- Improve the Community’s ability to help homeowners achieve voluntary compliance
- Revisit the 2002 Council Report on Chronic Problem Properties and measure our success at shutting them down. Try to determine if the City is still spending the estimated \$2.5 million per year responding to them.
- Determine whether the combination of increasing the number of “Sweeps” and use of the “Good Neighbor” program results in 75% to 100% of the City being pro-actively surveyed for code violations. (Determine the success at moving from a complaint-based system to a pro-active system.)
- Determine whether the pro-active emphasis results in a backlog or inability to deliver “next day” service on complaints, or an inability to get to all rechecks within 2 weeks of scheduled compliance date(s). If so, what amount of increased resources (in addition to \$70k overtime expense) is necessary to avoid a backlog and continue the unprecedented, pro-active, way of doing business.
- A four-fold increase in interior inspections.
- Determine success of “alley trash letter”, in shortening turn-around (“time on the ground”) for alley trash.
- Decrease the number of reinspections - work with Information Systems to flag properties (open files) with more than 3 visits.
- Have an on-line customer satisfaction survey.
- Implement a pc-based and on-demand process for initial testing for persons who wish to be licensed as Truth-in-Sale of Housing evaluators.

Neighborhood Housing And Property Improvement

Department/Office Director: **ANDREW J DAWKINS**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Adopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	2,476,122	2,522,823	2,446,577	2,610,719	2,709,743	99,024	263,166
040 PROPERTY CODE ENFORCEMENT	575,677	501,325	748,377	821,010	821,010		72,633
Total Spending by Unit	3,051,799	3,024,148	3,194,954	3,431,729	3,530,753	99,024	335,799
<u>Spending By Major Object</u>							
SALARIES	1,500,689	1,570,645	1,671,333	1,780,739	1,788,083	7,344	116,750
SERVICES	943,669	892,164	738,789	794,846	884,266	89,420	145,477
MATERIALS AND SUPPLIES	143,485	47,316	66,365	46,403	46,403		-19,962
EMPLOYER FRINGE BENEFITS	461,938	504,370	533,052	558,996	561,256	2,260	28,204
MISC TRANSFER CONTINGENCY ETC	2,018	9,653	183,070	240,400	240,400		57,330
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT			2,345	2,345	2,345		
EQUIPMENT LAND AND BUILDINGS				8,000	8,000		8,000
Total Spending by Object	3,051,799	3,024,148	3,194,954	3,431,729	3,530,753	99,024	335,799
Percent Change from Previous Year		-0.9%	5.6%	7.4%	2.9%	2.9%	10.5%
<u>Financing By Major Object</u>							
GENERAL FUND	2,476,122	2,522,823	2,446,577	2,610,719	2,709,743	99,024	263,166
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS	4,485	4,100	4,300	4,000	4,000		-300
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	232,625	320,225	316,257	319,745	319,745		3,488
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	200,000		200,000	200,000	200,000		
TRANSFERS	358,813	201,145	200,000	200,000	200,000		
FUND BALANCES			27,820	97,265	97,265		69,445
Total Financing by Object	3,272,045	3,048,293	3,194,954	3,431,729	3,530,753	99,024	335,799
Percent Change from Previous Year		-6.8%	4.8%	7.4%	2.9%	2.9%	10.5%

Budget Explanation

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way the costs of workers' compensation are accounted for: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. So, a separate line item budget for workers' compensation was included in specific department activity base budgets. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Mayor's Recommendations

The Neighborhood Housing and Property Improvement (NHPI) proposed general fund budget for 2005 is \$2,610,719 which is up \$164,142 from the adopted 2004 budget of \$2,446,577. The 2005 proposed budget for NHPI's special funds is \$821,010 compared to the 2003 budget of \$748,377.

The major change to spending is the transfer of two Right-of-Way inspectors and their support costs from Public Works to NHPI. These two Right-of-Way inspectors will continue to be paid by Public Works but will now perform their enforcement duties from the NHPI Office.

The major change to the General Fund financing is the Public Works operating transfer that supports the two Right-of-Way inspectors. Starting in 2004, the City began to assess the cost of excessive consumption of code enforcement services (multiple re-inspections). In 2005, the Mayor recommends an increase of \$60,000 as many properties will have multiple inspections and will be charged the maximum excessive consumption fee throughout 2005. The Mayor also proposes to increase the revenue estimate for summary abatement administration as that fee was increased mid-2004 but will be charged for the entire year in 2005.

The only significant change to the special fund budget is the recommendation to transfer \$53,497 to Public Health as these funds were originally generated when code enforcement was a division of Public Health.

Council Actions

The City Council adopted the NHPI budget and recommendations as proposed by the Mayor, with the following additions:

- Added one FTE housing inspector at a \$55,000 cost.
- Increased vacant building registration revenues by \$20,000 due to a proposed new graduated fee schedule that Council will consider in 2005. The proposal is to increase the current \$250 annual fee by \$250 per year that a building is vacant, up to \$1,000 per year for the fourth and subsequent years.

The Council also approved the following changes recommended by the Mayor:

- Transferring \$97,000 of staff costs from a Community Development Block Grant (CDBG) activity to the General Fund because the staff costs are ineligible expenses for CDBG funding.
- Eliminating one vacant clerk position (\$46,000) and \$7,500 in excess budgeted rent to help pay for the increase in General Fund spending due to the CDBG ineligible expenses.

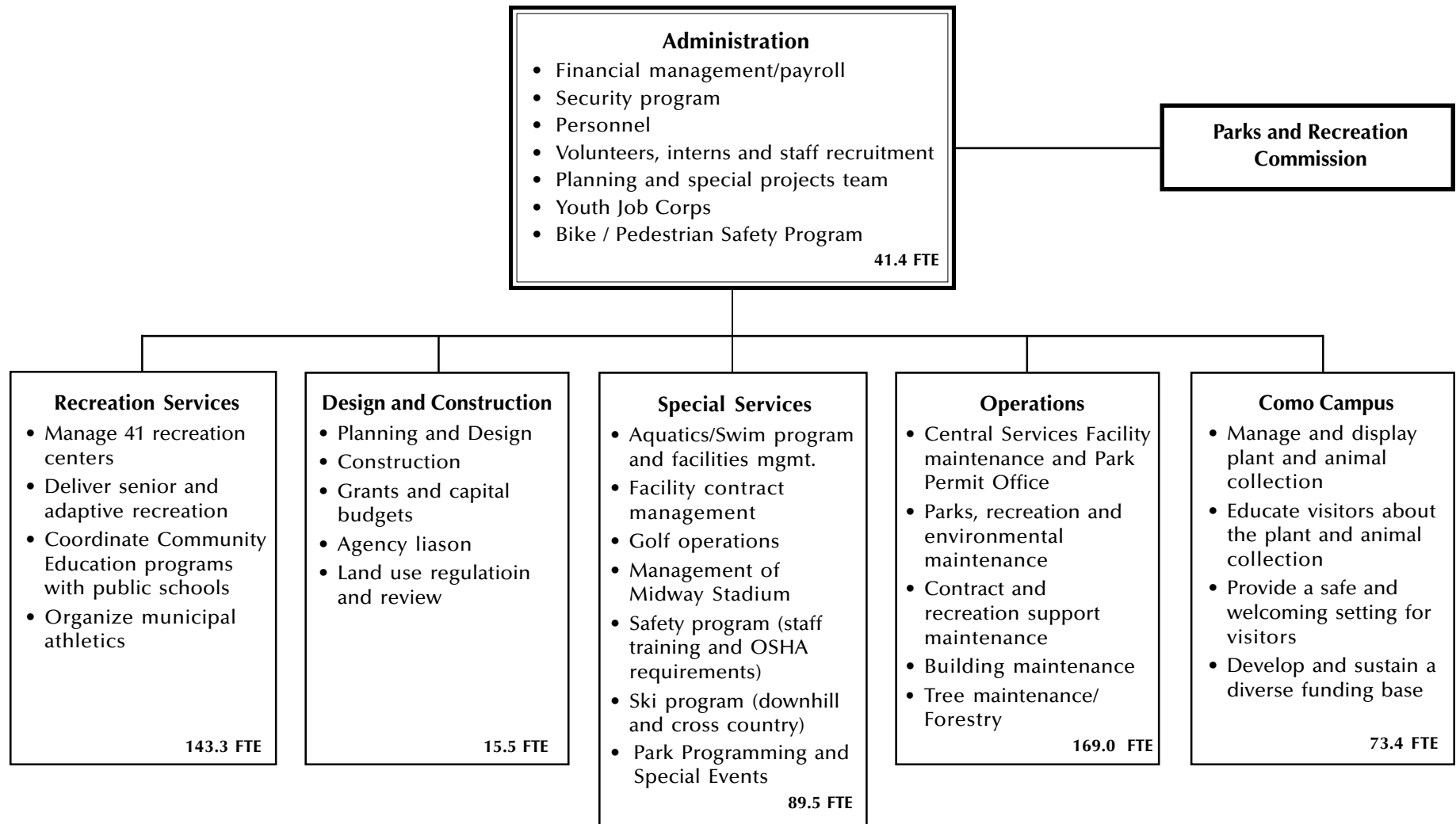
Parks and Recreation

Mission Statement

To enhance the lives of its citizens and visitors, Saint Paul Parks and Recreation will, within available resources, provide and facilitate safe, quality leisure services, programs and facilities while preserving and enhancing natural resources and stimulating the economic vitality of the community.

Parks and Recreation

(Total 532.1 FTEs)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

Projects in process or under construction include:

- System-wide review of all contracts and agreements
- Youth Job Corps Program coordination
- Implementation of restructuring of Recreation Services to maximize resources and to be more flexible in meeting the needs of the public; cross train staff to meet demand
- Citywide fitness initiative “Get fit with us” and “strive for 25” programs
- North Dale and Martin Luther King site work
- Construction of Upper Landing Park
- Sandy Lake geotechnical and site development design
- Rice Recreation Center play area and site work
- Vento sanctuary acquisition and soil re-mediation
- Highland Golf Course construction/driving range
- Visitor and Education Resource Center at Como Park
- Wacouta Commons phase I (play area) and phase II site work
- Central Service facility addition
- Southwest area maintenance facility and Highland picnic area restoration
- Phalen pedestrian/bike trail and 2004 phase of the lakeshore restoration.
- Wellstone Center
- City-wide aquatic study and concept design for ComoPool
- Jimmy Lee Recreation Center acquisition
- Como trail tunnel
- Facilitation of Grand Excursion 2004 and Taste of Minnesota
- Lower Phalen Creek Bruce Vento Nature Sanctuary construction
- Continued data collection and mapping through use of GIS
- Establishing a photo data base
- Developing a maintenance plan as part of design process - Wacouta Commons project test model
- Developing a model “schedule of depreciation” - Wacouta Commons project test model
- Continuing the use of Community Seasons for on-line registration and issuing park permits

Completed projects include:

- Full implementation of Load-N-Pack Garbage collection system
- Homcroft play area and site work completed
- Samuel H. Morgan Regional Trail completed
- Skate Parks at Front Recreation and Merriam Park completed
- North Dale Recreation Center building completed
- West Minnehaha Recreation Center completed

2005 Priorities

2005 Priorities:

- Establish a downtown senior citizen center
- Update Parks and Recreation Annual Report
- Host the JCC Maccabi Games (National Jewish Youth Athletic Competition)
- Expand Blooming Saint Paul beautification initiative
- Open the Highland National Golf Course
- Start the First Tee Junior Golf program at Highland National
- Establish Griggs Recreation Center as a location for adaptive recreation
- Complete the swim facility master plan
- Coordinate the purchase of Automated Emergency Defibrillators for use in the recreation centers
- Establish an equipment replacement plan for the ski program
- Continue the slope stabilization program at Watertown Marina
- Start the 3-11 hole improvement project at Como Golf Course - Done in conjunction with the storm/surface water control project being done by Public Works and Capital Region Watershed District
- Complete design for Jimmy Lee Recreation Center/Oxford Pool
- Continue construction of the Wellstone Center
- Continue phase I development of Bruce Vento Nature Sanctuary
- Continue development of Bruce Vento Regional trail connection to river.
- Work with Dakota County and the National Park Service on the Lilydale trail link to Big Rivers
- Continue construction of Sandy Lake soccer facility
- Hamms Falls at Como Park restoration
- Develop standardized maintenance plan between Operations and Design
- Complete written maintenance plan for vistas and viewing areas
- Continue Como and Phalen lakeshore restoration
- Complete Trillium site development plan
- Complete Upper Landing Park Construction and Highland Park picnic area renovation
- Complete renovation of play areas at Landford, Prosperity, Aldine and Phalen Park.

Parks And Recreation

Department/Office Director: **ROBERT L BIERSCHEID**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Adopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	24,427,979	21,853,686	21,733,652	22,350,374	22,435,374	85,000	701,722
307 COMMUNITY EDUCATION PROGRAM	304,997	310,546					
325 P&R SPECIAL SERVICES ENTERP FUND	5,473,367	8,985,106	6,033,828	7,245,792	7,245,792		1,211,964
326 RICE AND ARLINGTON SPORTS DOME	581,295	659,423	339,760	336,905	336,905		-2,855
330 WATERGATE MARINA ENTERP FUND	27,677	8,735	7,550	7,550	7,550		
334 MIDWAY STADIUM	355,973	390,781	420,723	422,410	422,410		1,687
361 JAPANESE GARDEN TRUST FUND	1,425	953	1,700	1,700	1,700		
365 PARKS & REC SPEC. PROJECTS FUND	1,122,816	1,226,639	1,554,185	1,563,195	1,563,195		9,010
370 PARKS & REC SUPPLY & MAINTENANCE	875,526	993,038	1,130,585	1,243,473	1,251,473	8,000	120,888
375 STREET TREE MAINTENANCE		1,757,409	1,845,000	1,918,662	2,398,662	480,000	553,662
380 COMO CAMPUS	1,387,451	1,527,159	1,718,377	2,556,903	2,556,903		838,526
391 SPECIAL RECREATION FUND	27,972	32,904	950,353	972,008	972,008		21,655
394 MUNICIPAL ATHLETIC ASSOCIATIONS' FD	382,053	435,435	626,070	385,070	385,070		-241,000
398 RECREATION CENTER ENTERPRISE ACCT.		39,222					
399 CHARITABLE GAMBLING DISTRIBUTIONS	75,948	66,967		15,000	15,000		15,000
729 PARKS' OPPORTUNITY FUND			15,000	14,909	14,909		-91
742 HILLER & LOIS HOFFMAN MEMORIAL			300	300	300		
860 PARKS & REC GRANT FUND	2,035,435	1,890,056	1,979,946	2,000,401	2,000,401		20,455
Total Spending by Unit	37,079,914	40,178,059	38,357,029	41,034,652	41,607,652	573,000	3,250,623
<u>Spending By Major Object</u>							
SALARIES	19,210,654	18,824,000	19,152,897	20,371,122	20,490,291	119,169	1,337,394
SERVICES	5,012,160	4,079,820	4,651,303	4,684,629	5,097,742	413,113	446,439
MATERIALS AND SUPPLIES	4,098,661	4,223,798	3,865,557	4,612,679	4,616,728	4,049	751,171
EMPLOYER FRINGE BENEFITS	5,581,721	5,862,773	6,036,504	6,397,091	6,433,760	36,669	397,256
MISC TRANSFER CONTINGENCY ETC	1,761,210	2,048,511	2,246,618	2,459,572	2,459,572		212,954
DEBT	343,353	336,026	339,760	336,905	336,905		-2,855
STREET SEWER BRIDGE ETC IMPROVEMENT	292,644	1,208,806	1,357,800	1,277,065	1,277,065		-80,735
EQUIPMENT LAND AND BUILDINGS	779,511	3,590,909	706,590	895,589	895,589		188,999
Total Spending by Object	37,079,914	40,174,643	38,357,029	41,034,652	41,607,652	573,000	3,250,623
Percent Change from Previous Year		8.3%	-4.5%	7.0%	1.4%	1.4%	8.5%
<u>Financing By Major Object</u>							
GENERAL FUND	24,427,979	21,853,686	21,733,652	22,350,374	22,435,374	85,000	701,722
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	1,874,033	1,493,467	1,575,192	1,682,605	1,682,605		107,413
FEES, SALES AND SERVICES	2,975,537	3,225,256	3,254,758	3,497,658	3,505,658	8,000	250,900
ENTERPRISE AND UTILITY REVENUES	6,176,168	5,782,341	6,896,905	8,165,316	8,165,316		1,268,411
MISCELLANEOUS REVENUE	620,117	687,935	629,900	1,019,900	1,419,900	400,000	790,000
TRANSFERS	1,413,447	4,014,844	4,110,310	4,527,207	4,607,207	80,000	496,897
FUND BALANCES			156,312	-208,408	-208,408		-364,720
Total Financing by Object	37,487,281	37,057,529	38,357,029	41,034,652	41,607,652	573,000	3,250,623
Percent Change from Previous Year		-1.1%	3.5%	7.0%	1.4%	1.4%	8.5%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2004 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees, related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct-charge approach, recording each department's costs in their own department budget. So, \$359,474 for workers' compensation was included in the Parks base budgets. Also, \$300,000 was added to use towards the operations of the Como Park Visitor and Education Resource Center (V.E.R.C.) Finally, a \$67,936 spending reduction was imposed on the department's adjusted general fund budget to help control spending, and to meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Mayor's Recommendations

The recommended 2005 general fund budget of the Parks and Recreation Department is \$22,350,374, which is \$616,722 more than the adopted 2004 budget. Most of the increase is due to adding \$575,000 to the utilities budget, including added utility costs for the newly constructed Visitor and Education Resource Center.

Overall, the Parks and Recreation budget increases by 56.6 FTEs. The FTE increase is due to changes in special funds. For example, 14.4 FTEs were added to open the renovated Highland National 18-hole golf course in 2005. For the Youth Job Corps program, 27 FTEs were added. For the Visitor and Education Resource Center, a total of 16.8 FTEs were added, 15.2 of which are budgeted in special fund #380.

The general fund budgets have absorbed the reduction of a vacant vehicle mechanic FTE, resulting in a savings of \$61,928. Also there is a reduction of a vacant Recreation Center Director FTE, resulting in a savings of \$69,894. No impact on service is expected as a result of these reductions. A savings of \$71,671 was achieved from the reduction of 5.0 Recreation Center Director FTEs to Assistant Director. A total of 1.6 FTEs were added to the general fund for the Visitor and Education Resource Center.

Other general fund changes include reallocating \$95,000 of spending and financing from the Como Campus General Fund to the Campus Special Fund for costs supported by the Zoo Donations; and the reduction of \$160,211 in transfers from the Regional Park Operation and Maintenance Special Fund.

The following general fund financing increases are included in budget recommendations:

- An increase of \$45,100 in budgeted revenues for Harriet Island based on negotiated contracts.
- An increase of \$11,000 for a transfer from Environmental Stewardship Special Fund to the GIS Support general fund budget.
- An increase of \$8,000 for Streetcar Station rental revenues that were previously budgeted in a special fund.

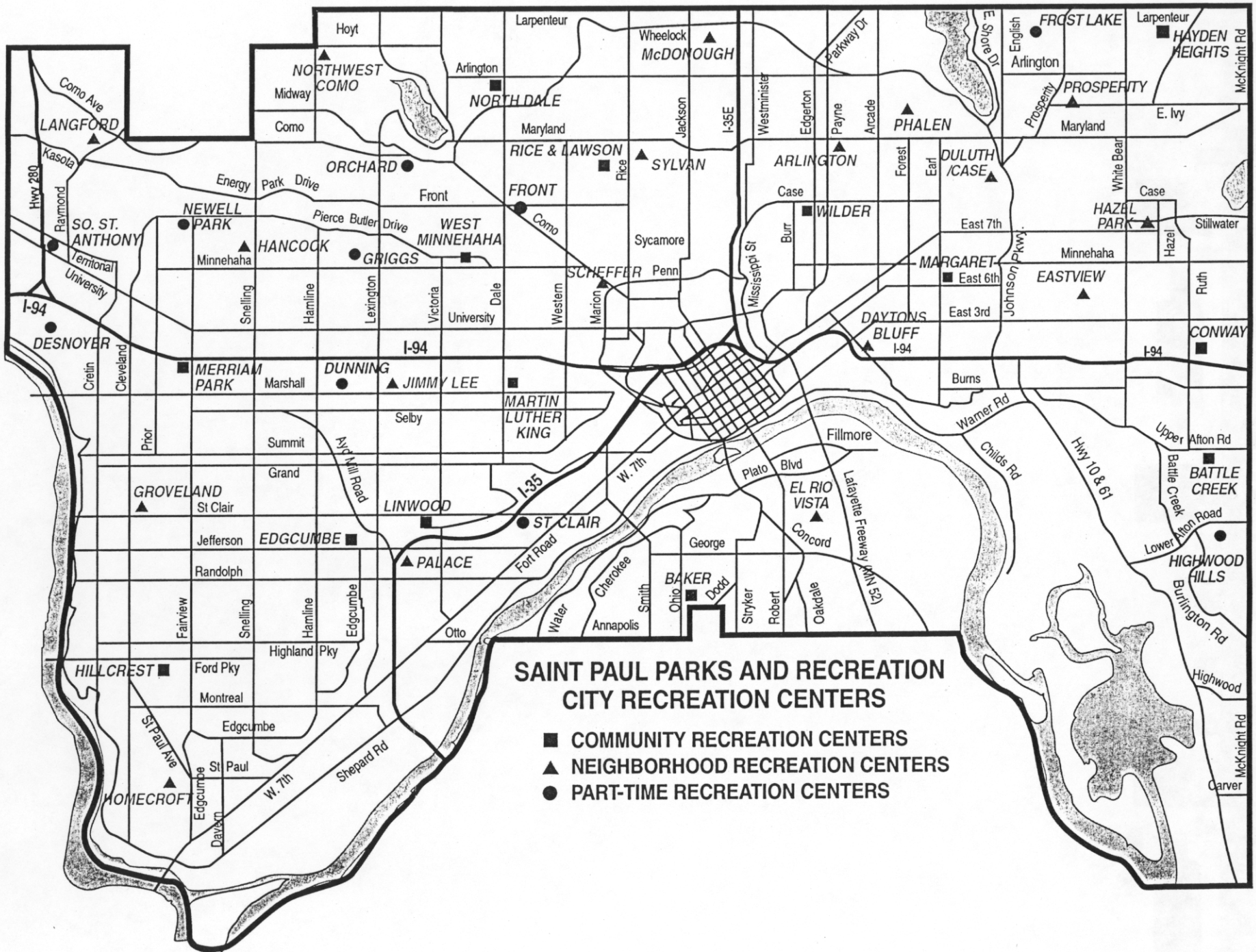
Major changes in special fund budgets include:

- A significant increase in Highland National budget in Fund 325 to reflect the opening of the 18-hole course early in 2005. This includes the addition of 14.4 FTEs. Spending for personnel and operations is supported by anticipated golf revenues.
- The addition of the voluntary patron donation funding, previously budgeted in the general fund, to help support spending for the Como Campus Special Fund 380.
- The addition (also in Fund 380) of \$719,000 in spending to open the new Visitor and Education Resource Center. This includes the addition of 15.2 special fund FTEs.
- Elimination of the Star of the North Games budget in the Municipal Athletics fund 394. This was a one-year (2004) event.
- Adding back the Charitable Gambling budget in Fund 399.
- Adding the Youth Job Corp Program, and CDBG revenues, to Special Fund 860. This includes the addition of 27 FTEs.
- The reduction of \$173,648 in expected State Aid for Regional Parks Operation and Maintenance in Fund 860 caused spending to be reduced by a like amount.

Council Actions

The city council adopted the Parks and Recreation budget and recommendations as proposed by the mayor, and approved the following additional changes:

- added \$85,000 to the general fund (2.3 rec leader FTEs) to add recreation center hours.
- reduced general fund revenue by \$8,000 for fees collected from recreation center rentals.
- added \$80,000 (1.2 tree worker FTEs) to Fund 375 for tree maintenance at intersections. This is financed by right-of-way assessment fees in Public Works Fund 225.
- added \$8,000 to provide refuse hauling services to other departments.
- added \$400,000 for Dutch Elm diseased tree removal from private property, funded by assessments to the affected property owners.



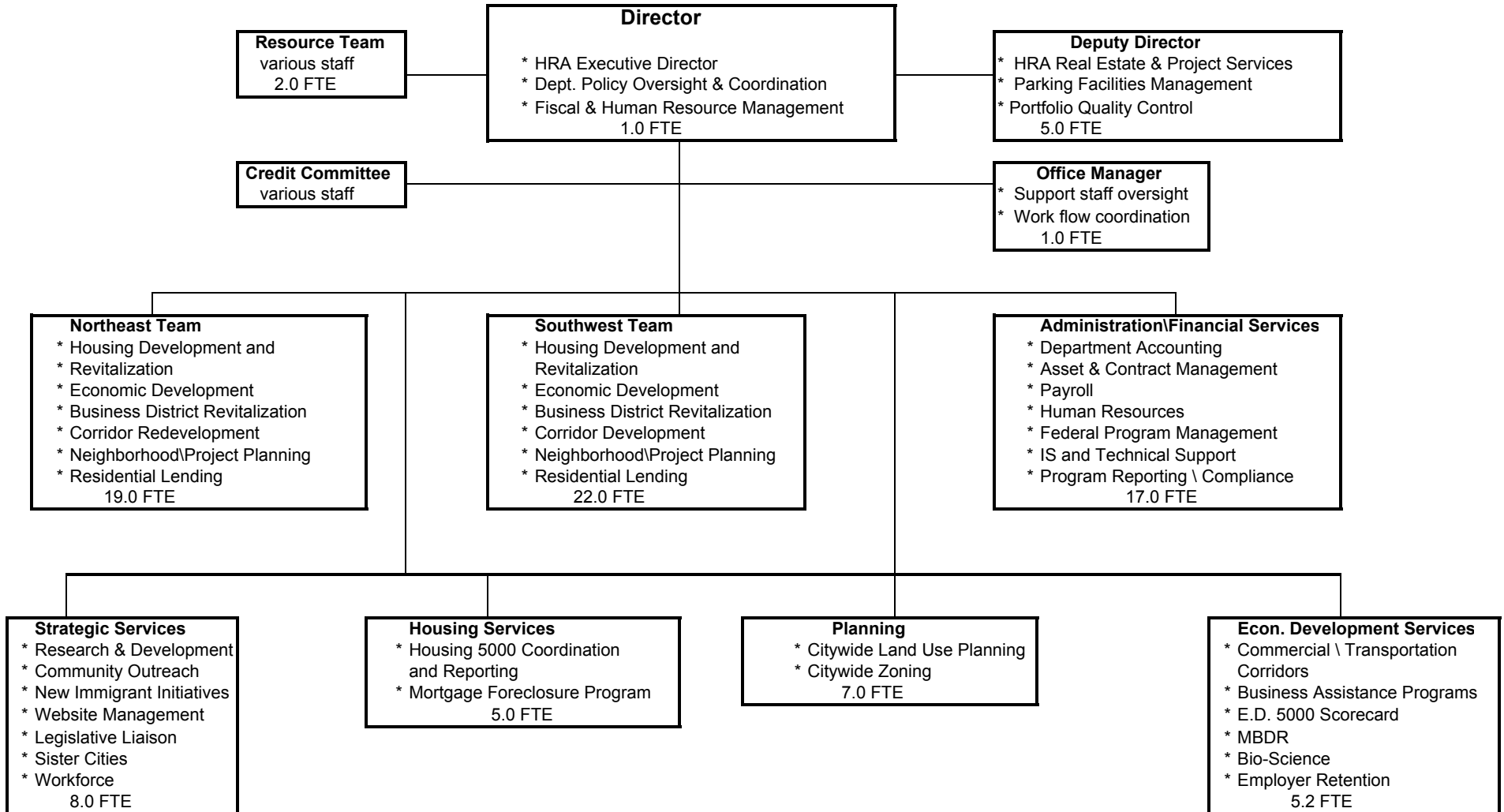
Department of Planning and Economic Development

Mission Statement

In partnership with our community, promote investment and increase value in Saint Paul's housing and economic development initiatives.

Planning and Economic Development

Total 92.2 FTEs



Strategic Plan Accomplishments and 2005 Priorities

PED's mission is to grow jobs and promote investment that maintains and expands Saint Paul's tax base. This is accomplished through the promotion of new housing, strategic commercial and economic development, and careful planning that builds on past accomplishments to define our vision for the future.

2004 ACCOMPLISHMENTS

1. Continued successful implementation of Housing 5000 initiative, including the expected production of 3,750 new housing units by 12/31/04, at least 20% of which will be affordable in accordance with the program goals.
2. The Traditional Neighborhood Zoning ordinance was completed and adopted, streamlining and clarifying citywide zoning regulations, and facilitating the development of mixed use, pedestrian-oriented neighborhoods.
3. Implemented a second successful year of the Minority Business Development and Retention Initiative, including the Socially Responsible Investment Program and creation of a network of community partnerships to increase technical and financial resources for women, minorities, and small businesses.
4. Provided economic development assistance through the Strategic Investment Fund, creating financial incentives for healthy, growing companies relocating to Saint Paul.
5. Moved forward with the sale of the Biotechnology incubator, assisted in the establishment of the Capital City Bioscience Corporation. Continued to promote and encourage the biosciences through the provision of professional and technical assistance, and furthered the establishment of the city's BioScience Corridor.
6. Provided strategic investment in public infrastructure and amenities, and private development, in commercial corridors, including MainStreet Initiatives on Payne Avenue, Selby Avenue, and District Del Sol.
7. Continued to promote the conversion of Class B and Class C downtown office properties to residential use, thereby reducing office vacancies and increasing downtown residents (which will in turn increase demand for retail, hospitality and related services.)
8. Established the Small Business Expansion Program in partnership with the Community Reinvestment Fund and local lenders. The action has leveraged New Market Tax Credits to create below market loans in targeted areas.

2005 PRIORITIES

2005 will present another extremely challenging year for PED. Shrinking financial resources, increased needs, and a constant work force are a reality. Prioritizing needs, assessing economic impact, and targeting resources will be paramount. The creation of new partnerships, maintaining current revenue streams, and cultivating new financial opportunities are clearly goals for 2005. PED staff welcome the challenge.

Implementation of the fourth year of the Housing 5000 Plan, building on the initial successes of the commercial corridor development, and capitalizing on downtown and riverfront opportunities all represent priorities. Work with our public, private, and community-based partners will be critical as adopted plans and projects become realities. Outreach to under-represented groups will continue to be a priority, along with simplifying process and procedure. Finally, staff will remain flexible, and be in position to take advantage of new housing, commercial, and economic development opportunities as they arise.

1. Focus economic development activities on increasing investment, promoting partnerships, creating jobs, and sustaining the tax base.
2. Complete implementation of Housing 5000, by 12/31/05 (20% of which will be affordable), and increase the ongoing investment in existing housing stock.
3. Continue development of key commercial/transportation corridors through concentration of private and public investment in transportation infrastructure, housing and commercial development, and public amenities.
4. Complete development of the University of Minnesota biotechnology incubator and promote development of the new Saint Paul bioscience corridor.
5. Continue and expand the efforts of the Minority Business Development and Retention and Small Business Expansion Programs
6. Target areas of disinvestment for economic renewal and revitalization.
7. Reclaim brownfield sites into productive residential and commercial properties.
8. Pursue Federal, State and local partnerships, concentrating on higher education and health care.
9. Engage community and business groups, and encourage involvement by all sectors of the community to promote responsible decision making.

Planning & Economic Development

Department/Office Director: **SUSAN E KIMBERLY**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Addopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	1,097,106	793,278	108,483	109,083	109,083		600
100 COMMUNITY DEVELOPMENT BLOCK GRANT	11,247,701	8,688,961	11,854,000	11,854,000	11,854,000		
101 NEIGHBORHOOD REVITALIZATION PROG	3,714,622	1,039,264					
108 SECTION 108 PROGRAMS		3,409					
126 PED OPERATIONS FUND	8,947,983	7,957,764	8,719,707	8,975,468	8,975,468		255,761
130 PARKING AND TRANSIT FUND	6,543,108						
133 HOUSING INFO OFFICE - PED		9					
149 CITY DWTN CAPT'L PROJS NOTE REPAY F	4,696,174	7,422,720					
Total Spending by Unit	36,246,694	25,905,405	20,682,190	20,938,551	20,938,551	0	256,361
<u>Spending By Major Object</u>							
SALARIES	5,515,997	5,209,044	5,557,001	5,636,051	5,636,051		79,050
SERVICES	5,843,202	4,874,106	1,286,538	1,480,176	1,480,176		193,638
MATERIALS AND SUPPLIES	51,467	37,523	67,500	79,470	79,470		11,970
EMPLOYER FRINGE BENEFITS	2,162,748	1,727,314	1,804,816	1,736,754	1,736,754		-68,062
MISC TRANSFER CONTINGENCY ETC	22,600,831	14,029,244	11,951,335	11,991,100	11,991,100		39,765
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	72,449	28,174	15,000	15,000	15,000		
Total Spending by Object	36,246,694	25,905,405	20,682,190	20,938,551	20,938,551	0	256,361
Percent Change from Previous Year		-28.5%	-20.2%	1.2%	0.0%	0.0%	
<u>Financing By Major Object</u>							
GENERAL FUND	1,097,106	793,278	108,483	109,083	109,083		600
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	12,038,892	7,282,197	9,854,000	9,854,000	9,854,000		
FEES, SALES AND SERVICES	9,651,645	8,104,585	8,713,421	8,975,468	8,975,468		262,047
ENTERPRISE AND UTILITY REVENUES	28,200	44,245	2,000,000	2,000,000	2,000,000		
MISCELLANEOUS REVENUE	3,376,588	1,783,367					
TRANSFERS	4,394,911	7,841,494					
FUND BALANCES			6,286				-6,286
Total Financing by Object	30,587,342	25,849,166	20,682,190	20,938,551	20,938,551	0	256,361
Percent Change from Previous Year		-15.5%	-20.0%	1.2%	0.0%	0.0%	

Budget Explanation

Major Changes in Spending and Financing

As was the case in 2004, the 2005 PED Operations is budgeting no City General Funds. The result is the City realizing a General Fund savings of more than \$1.0 million. Spending reductions continue to account for the financing reduction, 2005 proposed FTE's are 92.2, or a .7 FTE increase over 2004. The 2003 budget included 101.6 FTE's.

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services.

The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. So, a separate line item budget for workers' compensation was included in specific department activity base budgets.

Mayor's Recommendations

The Proposed Budget reflects a continuation of staff and service levels comparable to the 2004 budget.

Council Actions

The city council adopted the Planning and Economic Development budget as proposed by the Mayor.

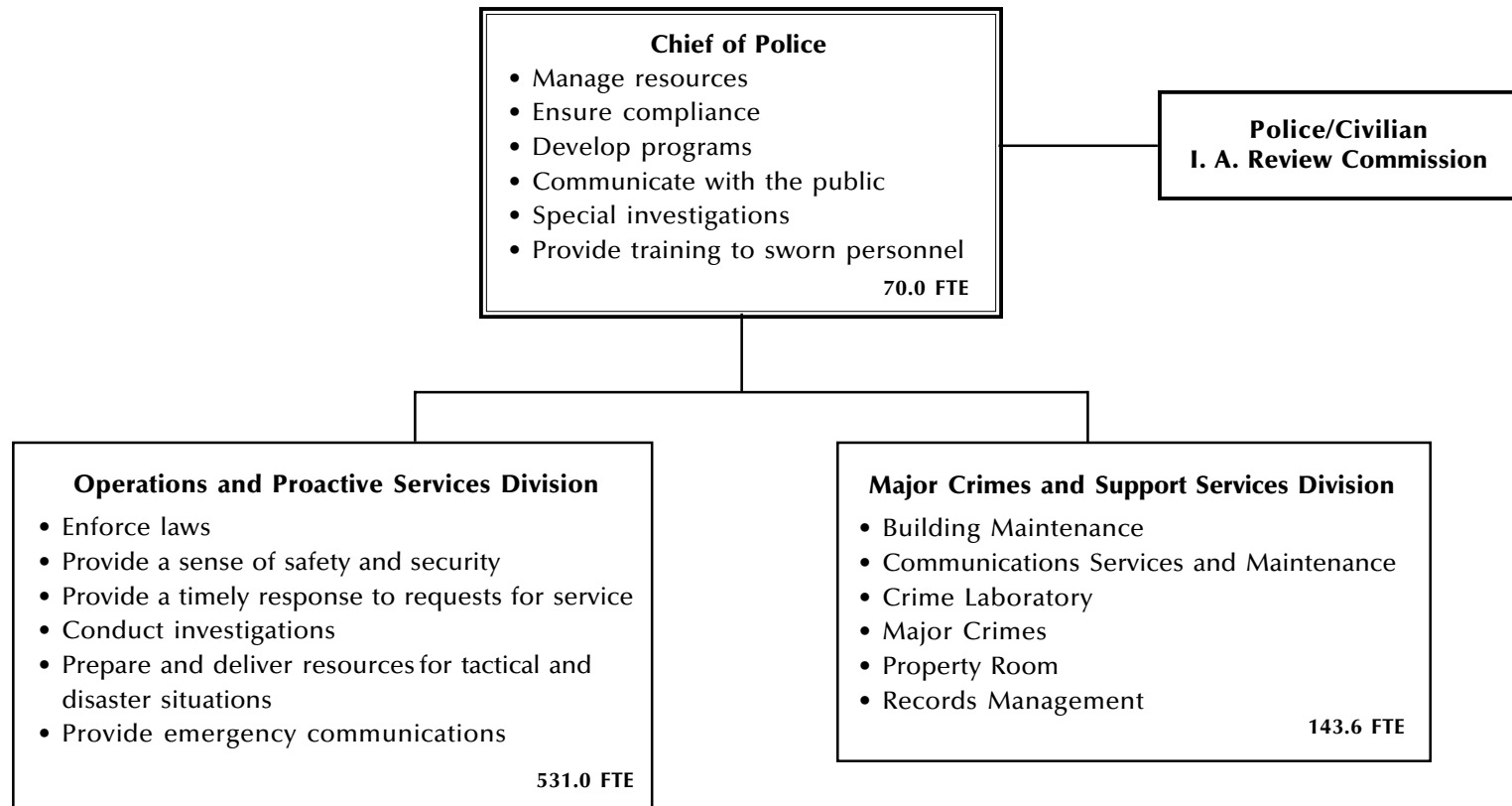
Police

Mission Statement

The Saint Paul Police Department's mission is to maintain a climate of safety and security throughout the city. The Police Department will effectively manage its resources to deliver quality services within an atmosphere of individual integrity and mutual respect. Emphasis will be placed on: strong community relations, active assessment of citizen needs for police service, and modifying services, as feasible, to meet the needs of each neighborhood.

Saint Paul Police

(Total 744.6 FTEs)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

1. Twenty-four grants and grant-related contracts were awarded in 2003. These grants, including grant matching funds, totaled \$3,347,937.
2. Part 1 offenses in Saint Paul reduced 10% in 2003 from the previous year.
3. The Homicide Unit cleared 95% of their cases (19 of 20).
4. SIU arrested a group of persons involved in at least 32 bar robberies in the past two years.
5. The Saint Paul Police Department teamed with DEA agents to arrest two persons for possession of GHB (date rape drug), anabolic steroids and ecstasy with an estimated street value of \$200,000.
6. The Saint Paul Police Department made great strides in the ECON Weed and Seed area in Saint Paul's Eastern District. During the 10 month operation beginning in March of 2003, 120 persons were arrested, 46 persons for narcotic offenses. Drug seizures for these arrests were as follows: 9 pounds of methamphetamine, 5 grams of crack or cocaine and 120 pounds of marijuana. There were also eight firearms recovered and \$64,733 in monies seized.

2005 Priorities

As resources allow we will continue to maintain the climate of safety and security the city has enjoyed the last 10 years. Once our budget is established for 2005, the department will develop our priorities in line with the Mayor's priorities as well as meeting our primary goal of public safety.

1. The department requests permission to explore the possibility of pursuing funding for the department via donations or special events such as a police officer ball. Like friends of the Library, we believe we may be successful in creating a fund for the department for either one-time expenditures or, over long-term, additional personnel.
2. The department will explore contract services for patrol and investigations with neighboring cities that currently work with the county and/or other police agencies.
3. The Training unit will again aggressively market our in-house expertise by offering CIRT, narcotics, background, investigative training and officer survival to local police agencies.
4. In addition, efficiencies and collaborations with the county will be explored and implemented when appropriate and will include some joint investigative and administrative services. These collaborative initiatives include the target range, crime lab, investigative units and other services to be determined. An intergovernmental mobility transfer contract is currently being reviewed for Saint Paul Police Officer Rehak to work in the county's felony apprehension unit.
5. We will continue to explore partnerships with Metropolitan State university and Minneapolis Community College on a long-term firearm range.
6. Collaborations with our state (BCA) and federal (DEA, ATF) partners will be expanded so that we can realize even larger seizures.
7. We have already begun planning with Parks and MN Art to use art as a new form of police athletic league. A partnership for Night moves will also be piloted this summer, which we believe will produce some savings while yet expanding services. Possible partnership in a new recreation center is also being considered.

Police Department

Department/Office Director: **JOHN M HARRINGTON**

	2002	2003	2004	2005	2005	Change from	
	2nd Prior	Last Year	Adopted	Mayor's	Council	Mayor's	2004
	Exp. & Enc.	Exp. & Enc.	Budget	Proposed	Adopted	Proposed	Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	55,356,250	68,730,629	57,884,518	60,045,016	60,589,972	544,956	2,705,454
400 POLICE SERVICES (PENSION ASSETS)	1,466,159	1,167,295	1,001,144	221,377	221,377		-779,767
405 CRIME LABORATORY SPECIAL REV FUND	63,018	57,886	65,094	64,950	64,950		-144
420 PARKING ENFORCEMENT	1,004,145	1,022,278	1,403,023	1,404,889	1,404,889		1,866
435 VEHICLE IMPOUNDING: POLICE LOT	2,247,653	2,242,704	2,678,076	2,718,531	2,718,531		40,455
436 POLICE-SPECIAL PROJECTS	4,821,543	5,443,558	7,248,282	5,993,548	6,945,649	952,101	-302,633
733 POLICE OFFICERS CLOTHING TRUST FUND	426,779	443,508	535,589	532,781	532,781		-2,808
Total Spending by Unit	65,385,547	79,107,858	70,815,726	70,981,092	72,478,149	1,497,057	1,662,423
<u>Spending By Major Object</u>							
SALARIES	43,094,103	43,101,323	43,896,847	44,372,278	44,828,270	455,992	931,423
SERVICES	4,516,456	4,399,601	5,108,457	5,394,138	5,857,392	463,254	748,935
MATERIALS AND SUPPLIES	2,546,246	2,597,324	2,994,124	2,958,161	3,033,886	75,725	39,762
EMPLOYER FRINGE BENEFITS	12,449,831	12,864,790	13,459,464	14,231,500	14,385,530	154,030	926,066
MISC TRANSFER CONTINGENCY ETC	1,614,143	1,985,093	2,156,816	1,580,565	1,494,110	-86,455	-662,706
DEBT			1,295,418	1,335,217	1,335,217		39,799
STREET SEWER BRIDGE ETC IMPROVEMENT	151,574	93,775	171,796	76,982	76,982		-94,814
EQUIPMENT LAND AND BUILDINGS	1,013,194	14,065,952	1,732,804	1,032,251	1,466,762	434,511	-266,042
Total Spending by Object	65,385,547	79,107,858	70,815,726	70,981,092	72,478,149	1,497,057	1,662,423
Percent Change from Previous Year		21.0%	-10.5%	0.2%	2.1%	2.1%	2.3%
<u>Financing By Major Object</u>							
GENERAL FUND	55,356,250	68,730,629	57,884,518	60,045,016	60,589,972	544,956	2,705,454
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	2,657,758	2,723,837	3,386,962	3,030,408	3,904,024	873,616	517,062
FEES, SALES AND SERVICES	3,351,649	3,879,914	5,711,314	4,732,311	4,836,662	104,351	-874,652
ENTERPRISE AND UTILITY REVENUES	25,570	26,689	20,000	47,849	47,849		27,849
MISCELLANEOUS REVENUE	803,778	377,877	358,654	362,756	354,997	-7,759	-3,657
TRANSFERS	2,313,713	2,327,007	2,124,685	2,245,134	2,227,027	-18,107	102,342
FUND BALANCES			1,329,593	517,618	517,618		-811,975
Total Financing by Object	64,508,718	78,065,953	70,815,726	70,981,092	72,478,149	1,497,057	1,662,423
Percent Change from Previous Year		21.0%	-9.3%	0.2%	2.1%	2.1%	2.3%

Budget Explanation

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way the costs of workers' compensation are accounted for: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. So, a separate line item budget for workers' compensation was included in specific department activity base budgets. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Mayor Recommendations

The Police Department's proposed general fund for 2005 is \$60,045,016 which is up \$2,160,498 from the adopted 2004 budget of \$57,884,518. The 2005 proposed budget for Police's special funds is \$10,936,076 compared to the 2004 budget of \$12,931,208

The major financing and spending changes in the 2005 Police Department general fund are:

- Reduction of revenue in the amount of \$131,570 for conceal and carry training and \$400,000 for POST skills school. The Police Department will meet the revenue projection for pawn shop fees of \$60,000 assuming the proposed changes to the false alarm ordinance are approved in 2004.
- The department salaries are adjusted to reflect the implementation of the contract negotiations for sworn personnel.
- According to plan, ten percent of the cost of six community service officers funded with returned city pension assets in 2002 were shifted to the general fund for 2005.
- An additional \$19,606 was placed in the Police Department overtime budget which now totals \$1,000,000.
- To help limit the growth of the spending budget, the Police Department budget was reduced by \$103,756 to eliminate the inflationary increase placed in the base budget and by \$415,447 to recognize the cost savings of leasing squad cars in 2005 versus purchasing the squad cars.

Major changes in the financing and spending for the 2005 Police Pension Assets Special Revenue Fund 400:

- The budget for overtime (\$340,759), severance pay (\$256,000), and equipment (\$153,000) was eliminated in order to follow the ten-year spending plan.
- A 0.6 FTE of an police officer was shifted to the police general fund.

Major changes in the financing and spending for the 2005 Police Special Projects Special Revenue Fund 420:

- Spending and financing object codes were updated to reflect the capital lease payments required for the new ticket writer system implemented in April of 2004.
- The spending budget was established under the assumption that \$4,000,000 of fine revenue would be generated by this operation in 2005.

Major changes in the financing and spending for the 2005 Police Special Projects Special Revenue Fund 436:

- Activities 34107, 34133, and 34191 were adjusted to reflect the current contract with the Saint Paul School District for the School Resource Officer Program.
- Activity 34155 was adjusted to reflect the reduction in the Strike Force Grant funding. All police officers were shifted to the general fund in 2005. If the Strike Force is not funded, the sergeant and commander position will need to be funded from other sources.
- Assuming all contracts will be executed in 2004 for the records management wireless services provided, a budget was established in activity 34152 for these services. These funds will be used to pay the IS FTE previously funded by the LLEBG grant which will no longer be able to fund the position.
- Grants completed in 2004:
 1. Cops Technology 2002 (activity 34060).
 2. Cops More 2002 (activity 34063).
 3. Local Law Enforcement Block Grant VII (activity 34196).
- New grants from 2004:
 1. Value-Based Initiative Grant III (activity 34077).
 2. Vietnamese Youth Education & Crime Prevention (activity 34154).
 3. Youth Health & Academic Enrichment (activity 34158).
 4. Youth Express's Big & Huge Program (activity 34159).
 5. Our Children Program (activity 34161).
 6. Local Law Enforcement Block Grant IX (activity 34198).
 7. Youth Achievers Program Grant (activity 34306).

Budget Explanation (continued)

Mayor Recommendations (continued)

- Grants and grant-related contracts not anticipated in 2005:
 1. American Lung Association Tobacco Coalition (activity 34058).
 2. Family Violence Unit Grant (activity 34071). We will be applying for funding for these positions from another source. Two sergeant positions have been moved to activities 34117 and 34198.
 3. Auto Theft/Recovery-Juvenile (activity 34079). This grant was also not received in 2004 but was budgeted for in 2004.

City Council Actions

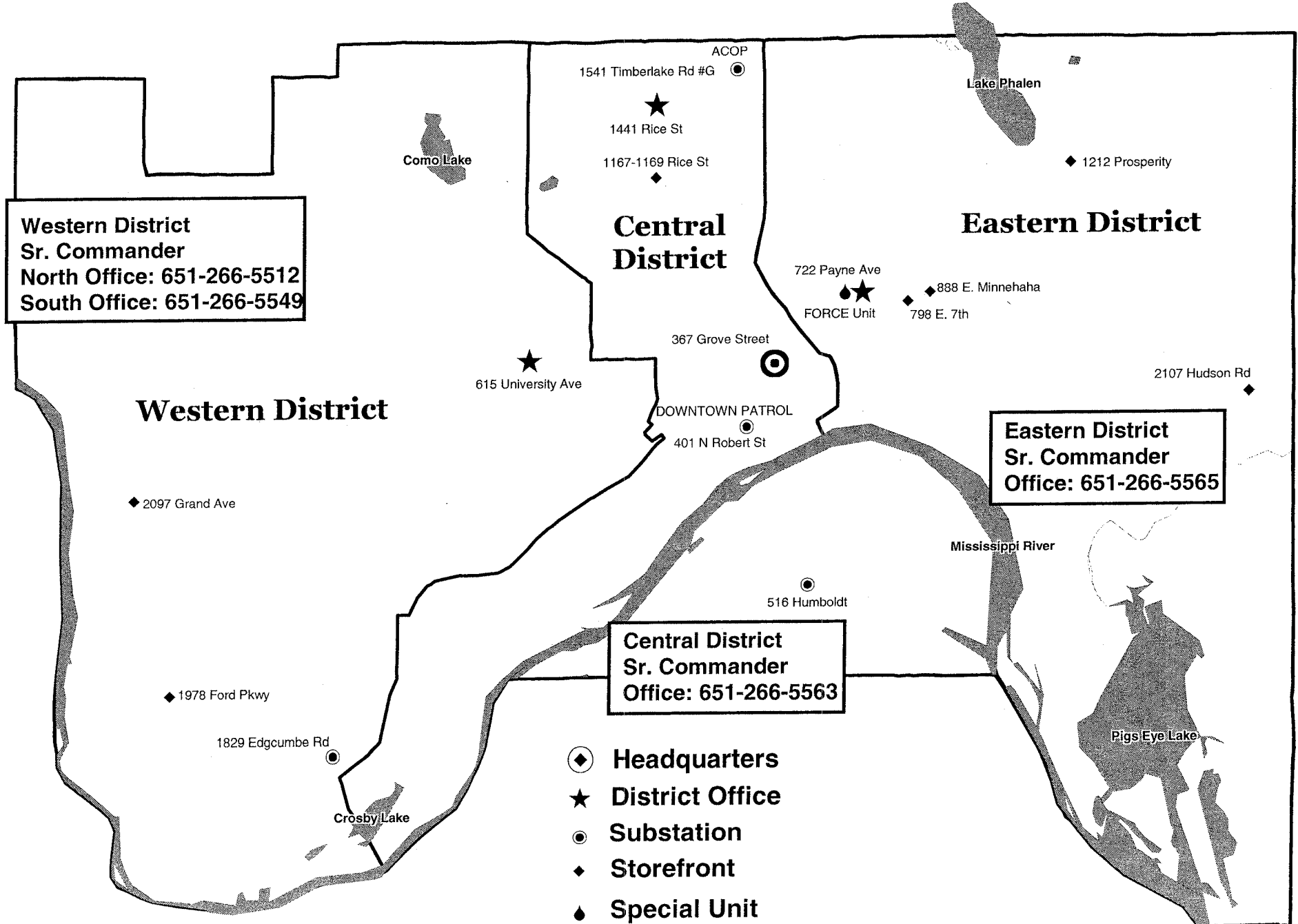
The city council adopted the Police department budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- including funding for six additional police officers, and three additional telecommunicators in the emergency communications center, and
- making technical changes to revise grant budgets, including the:
Ramsey County Intergovernmental Mobility Transfer, Minnesota Financial Crimes Task Force, Law Enforcement Terrorism Prevention Grant, Urban Areas Strategic Initiative Grant, COPS Technology Grant, Disproportionate Minority Contact Grant, ECON Crime Prevention Grant, Homeland Security Equipment Grant, NIBRS Grant, Value-Based Initiative Grant, Vietnamese Youth Education Grant, Youth Achievers Program Grant, Youth Health and Academic Enrichment Grant, and Local Law Enforcement Block.

The 2005 adopted budget is \$60,589,972 for the general fund, and \$11,888,177 in special funds.

SAINT PAUL POLICE LOCATIONS

Canine Unit
1900 Rice St (Maplewood)



Public Health

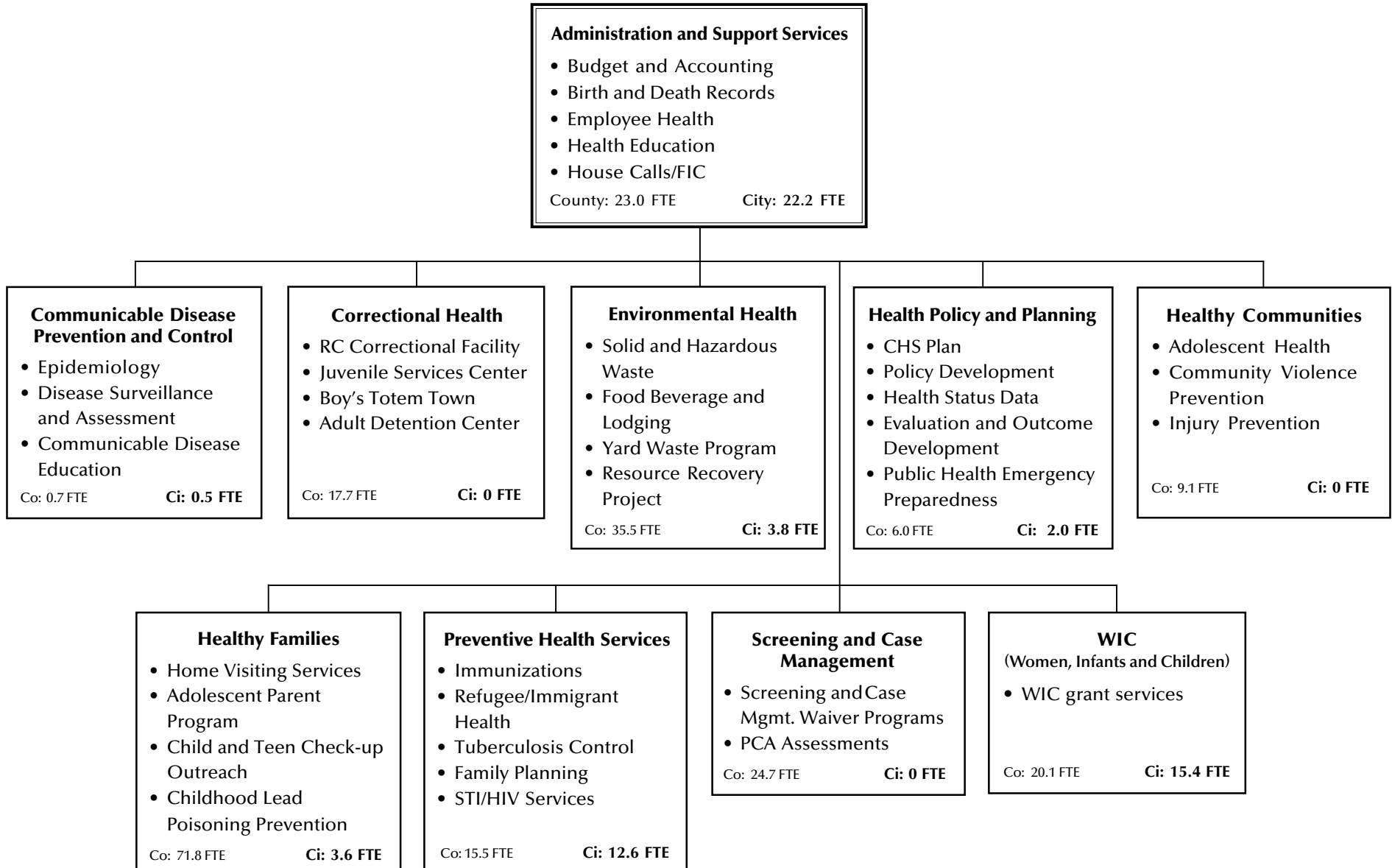
Mission Statement

To improve, protect, and promote the health, the environment, and the well being of people in the community.

Saint Paul-Ramsey County Public Health

(Total 284.2 FTEs)

City = 60.1
County = 224.1



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

In 1997, the City's public health function was merged, through a joint powers agreement, with Ramsey County's. The administration of this function now resides with the County. As resignations or retirements of City staff members occur, the positions are filled by the County. As City employees resign or retire, the City budget shows a decline in FTEs and dollars associated with paying their salary and benefits. Their salary and benefit costs are reimbursed by Ramsey County, and the County is responsible for the portion of the tax levy that covers these expenses.

2005 Priorities

Priorities for the provision of public health services are determined by the Community Health Services Advisory Committee. To accomplish our mission, the Saint Paul-Ramsey County Department of Public Health concentrates its efforts in four areas of strategic focus:

- Prevent communicable diseases
- Promote the health of children, youth and their families
- Protect the environment and reduce environmental health hazards
- Reduce chronic disease

Public Health

Department/Office Director: **NEAL R HOLTAN**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Adopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
304 PUBLIC HEALTH SERVICES	1,452,220	1,611,193	1,748,057	0	0		-1,748,057
305 PUBLIC HEALTH SPEC REV FUND	2,662,332	2,408,574	2,422,896	3,973,187	3,997,722	24,535	1,574,826
Total Spending by Unit	4,114,552	4,019,767	4,170,953	3,973,187	3,997,722	24,535	-173,231
<u>Spending By Major Object</u>							
SALARIES	3,132,044	3,030,075	3,145,851	2,978,787	2,997,548	18,761	-148,303
SERVICES	15,962	13,411					
MATERIALS AND SUPPLIES							
EMPLOYER FRINGE BENEFITS	966,546	976,281	1,025,102	994,400	1,000,174	5,774	-24,928
MISC TRANSFER CONTINGENCY ETC							
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object	4,114,552	4,019,767	4,170,953	3,973,187	3,997,722	24,535	-173,231
Percent Change from Previous Year		-2.3%	3.8%	-4.7%	0.6%	0.6%	-4.2%
<u>Financing By Major Object</u>							
GENERAL FUND							
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	4,114,552	4,019,763	4,170,953	3,973,187	3,997,722	24,535	-173,231
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE							
TRANSFERS				53,497	53,497		53,497
FUND BALANCES				-53,497	-53,497		-53,497
Total Financing by Object	4,114,552	4,019,763	4,170,953	3,973,187	3,997,722	24,535	-173,231
Percent Change from Previous Year		-2.3%	3.8%	-4.7%	0.6%	0.6%	-4.2%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base for Public Health includes the planned salaries and growth in fringes for 2005 for employees, related to the bargaining process. The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct-charge approach, recording each department's costs in their own department budget. Workers' Compensation costs were added to the budget as a separate line item instead of being included in the fringe rate.

Mayor's Recommendations

The Public Health proposed budget for 2005 is \$3,973,187, or \$197,766 less than the 2004 adopted budget. The 2005 budget was prepared by the Office of Financial Services based on information from the Saint Paul-Ramsey County Health Department. The budget reflects the number of employees (59.8) who are still on the City's payroll. This is 4.3 FTEs less than in 2004. For 2005, Public Health Fund 304 was integrated into Fund 305, since the distinction between the two funds was not material. Now, all City public health related spending is in Fund 305. Financing for this fund comes from reimbursements from Ramsey County for the cost of the SPRC Health Department employees who are still on the City's payroll.

Council Actions

The city council adopted the Public Health budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- added \$24,535 to correct a computer calculation error on the cost of employee salaries and fringes.

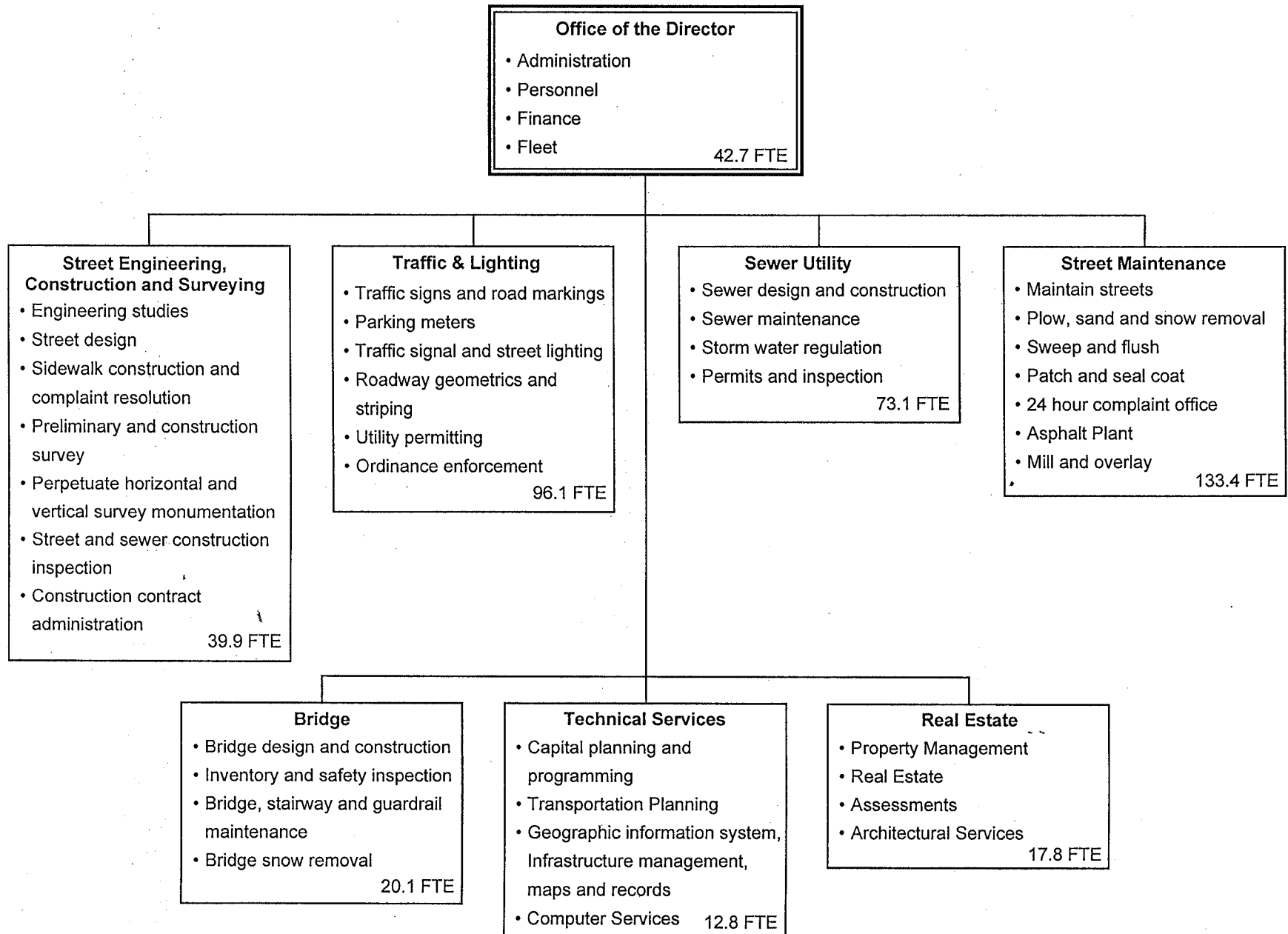
Public Works

Mission Statement

The Department of Public Works is committed to performing its many services in the most timely, efficient and cost effective manner possible.

Department of Public Works

(Total 435.9 FTEs)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

- **RSVP** Three Residential Street Revitalization Project's (RSVP) will be completed in 2004: Davern-Bayard in Highland Park, Seventh-Daly in the west end and Case-Ruth near Beaver Lake
- **Two Stream Waste Recycling** In September, 2004, curbside recycling service will simplify yet expand its collection service by both reducing to two-stream collection and adding plastic containers to the materials recycled.
- **Improvements in Snow Emergency procedures** During the 2003-2004 snow season, the Department of Public Works distributed close to 15,000 informational flyers through the city but particularly in neighborhoods with high percentages of rental units. These flyers were printed in five languages other than English and gave precise directions of what residents must do during snow emergencies. As a result, the 2003-04 snow season experienced a significant decrease in the number of vehicles tagged and towed.
- **Real Estate Division comes to Public Works** In 2004, the City's Real Estate Division officially became a part of the Department of Public Works. The coming of Real Estate to Public Works has been coordinated smoothly with great efficiency. Several complementary services and functions have been identified that will allow our staff members to blend in such a manner that they will, in many cases, either enhance present services or actually fill presently unmet needs.

2005 Priorities

- **Phalen Boulevard** In 2004, Phalen Boulevard Phase II will be completed, extending it eastward to Arcade Street. We are on course to have Phase II completed by September, 2005. Phase III is the last segment of the roadway and will terminate at Johnson Parkway.
- **Earl Street Bridge** The Earl Street Bridge will be completed by November, 2004.
- **Further Enhancement in our Snow Operations** In 2004, we are researching a telephone system that will alert our residents when a snow emergency has been declared. If our research proves positive, the system will be installed in time for the 2004-2005 snow season.
- **Adopt a Street Program** Borrowing from MnDOT's successful Adopt a Road program, the Department of Public Works will launch a similar program in St. Paul to augment and complement the Blooming St. Paul initiative.
- **Pedestrian Safety** Beginning in 2004 but continuing into 2005, the Department of Public Works will step up its efforts to improve the safety of pedestrians and cyclists. It will increase its placement of centerline pedestrian safety signs throughout the City and will place ten additional speed indicator signs (for motorists) in strategic locations throughout the City. Additionally, Public Works, beginning in 2004, will begin an aggressive campaign to repair damaged sidewalk panels and will prepare a three-year plan that will lay a course of action through 2007.

Public Works

Department/Office Director: **ROBERT G SANDQUIST**

	2002	2003	2004	2005	2005	Change from	
	2nd Prior	Last Year	Adopted	Mayor's	Council	Mayor's	2004
	Exp. & Enc.	Exp. & Enc.	Budget	Proposed	Adopted	Proposed	Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	9,723,850	4,984,211	5,184,354	2,292,390	2,257,436	-34,954	-2,891,964
205 PUBLIC WORKS ENGINEERING FUND	4,541,564	6,100,604	7,866,187	7,687,919	7,687,919		-178,268
225 STREET REPAIR AND CLEANING	14,210,527	22,068,423	22,712,431	24,865,992	25,300,574	434,582	2,153,561
230 PARKING METER COLLECTION AND FINES		2,682,140	2,703,070	5,813,985	5,813,985		3,110,915
231 LIGHTING ASSESSMENT DISTRICTS	140,855	100,339	135,396	138,106	138,106		2,710
232 SOLID WASTE & RECYCLING	2,438,248	2,486,019	2,873,465	3,079,361	3,079,361		205,896
235 RIGHT-OF-WAY	1,759,274						
240 TRAFFIC, SIGNAL, & LGHTG MTCE	6,518,322	6,090,630	8,756,816	11,281,831	11,081,831	-200,000	2,525,015
245 ASPHALT PLANT INTERNAL SERVICE	1,464,301	1,717,875	2,557,826	2,597,231	2,597,231		39,405
250 PUBLIC WORKS EQUIPMENT SERVICE	4,620,123	4,744,679	5,607,627	5,686,851	5,686,851		79,224
255 PUB.WKS.ADMIN & SPPT.SERVICES	2,678,372	2,594,782	5,689,350	5,764,071	5,764,071		74,721
260 SEWER UTILITY	43,614,047	46,357,965	49,128,700	51,014,233	51,114,233	100,000	1,885,533
925 CAPITAL IMPROVEMENT BOND FUND	55	3,353					
Total Spending by Unit	91,709,538	99,931,020	113,215,222	120,221,970	120,521,598	299,628	7,006,748
<u>Spending By Major Object</u>							
SALARIES	17,275,271	18,063,020	23,122,945	23,050,041	23,050,041		-72,904
SERVICES	17,513,274	18,529,788	22,406,023	20,837,733	20,737,733	-100,000	-1,568,290
MATERIALS AND SUPPLIES	8,064,854	8,143,826	11,336,776	11,318,848	11,218,848	-100,000	-17,928
EMPLOYER FRINGE BENEFITS	5,708,588	6,091,199	7,770,344	8,376,609	8,376,609		606,265
MISC TRANSFER CONTINGENCY ETC	32,579,280	35,347,743	31,009,238	38,489,463	38,389,091	-100,372	7,480,225
DEBT	8,763,852	8,649,853	8,495,722	8,976,519	8,976,519		480,797
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	1,804,419	5,105,591	9,074,174	9,172,757	9,772,757	600,000	98,583
Total Spending by Object	91,709,538	99,931,020	113,215,222	120,221,970	120,521,598	299,628	7,006,748
Percent Change from Previous Year		9.0%	13.3%	6.2%	0.2%	0.2%	
<u>Financing By Major Object</u>							
GENERAL FUND	9,723,850	4,984,211	5,184,354	2,292,390	2,257,436	-34,954	-2,891,964
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS	925,534	1,145,291	1,117,500	1,153,000	1,153,000		35,500
INTERGOVERNMENTAL REVENUE	5,738,817	6,802,520	7,570,576	9,963,856	9,963,856		2,393,280
FEES, SALES AND SERVICES	57,512,037	58,095,405	65,149,512	64,509,173	64,509,173		-640,339
ENTERPRISE AND UTILITY REVENUES	680,308	34,971	68,500	75,500	75,500		7,000
MISCELLANEOUS REVENUE	13,827,477	18,458,052	23,417,876	27,960,309	27,779,180	-181,129	4,542,433
TRANSFERS	4,627,537	1,396,346	699,879	4,061,185	3,826,231	-234,954	3,361,306
FUND BALANCES			10,007,025	10,206,557	10,957,222	750,665	199,532
Total Financing by Object	93,035,560	90,916,796	113,215,222	120,221,970	120,521,598	299,628	7,006,748
Percent Change from Previous Year		-2.3%	24.5%	6.2%	0.2%	0.2%	

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. So, a separate line item budget for workers' compensation was included in specific department activity base budgets. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Mayor's Recommendations

The Department of Public Works's proposed general fund budget for 2005 is \$2,292,390, down \$2,891,964, or 55.8% from the adopted 2004 budget. The 2005 proposed budget for the Public Works special fund is \$117,929,580 compared to the 2004 adopted budget of \$108,030,868.

The proposed budget includes:

- moving the costs for street lighting maintenance from the general fund where it is funded by property taxes to the special fund, including it in the right-of-way maintenance which is supported with assessment revenue. This provides a more stable revenue flow, allows the city to properly maintain street lights, and distributes the cost for such maintenance to all properties within the city,
- consolidating all parking related revenue within a single fund and including transfers to the appropriate funds and activities for spending.
- accelerating the sewer fund repayment to debt service using a \$1.1 million rebate from MCES,
- a 25¢ per hour increase in parking meter fees,
- additional spending for citywide upgrade to MS Office desktop software of \$31,900, and
- increased spending to fund additional IS services related to CMMS.

City Council Actions

The city council adopted the Public Works Department budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- provide for a transfer to Neighborhood Housing and Property Improvement to fund two inspectors.

The City Council made these further changes to the proposed budget:

- provided funding for a salt shed (\$600,000), and
- increased funding for tree trimming on right-of-ways (\$80,000), and
- provided additional funding for settlements to recognize inflationary costs, and
- lowered the proposed increase in funding for street light maintenance (\$200,000) and CMMS Contingency (\$48,825), and
- increased use of fund balance which along with the changes listed above resulted in a reduced Right-of-Way Assessment rate.

The 2005 adopted budget is \$2,257,436 for the general fund, and \$118,264,162 in special funds.

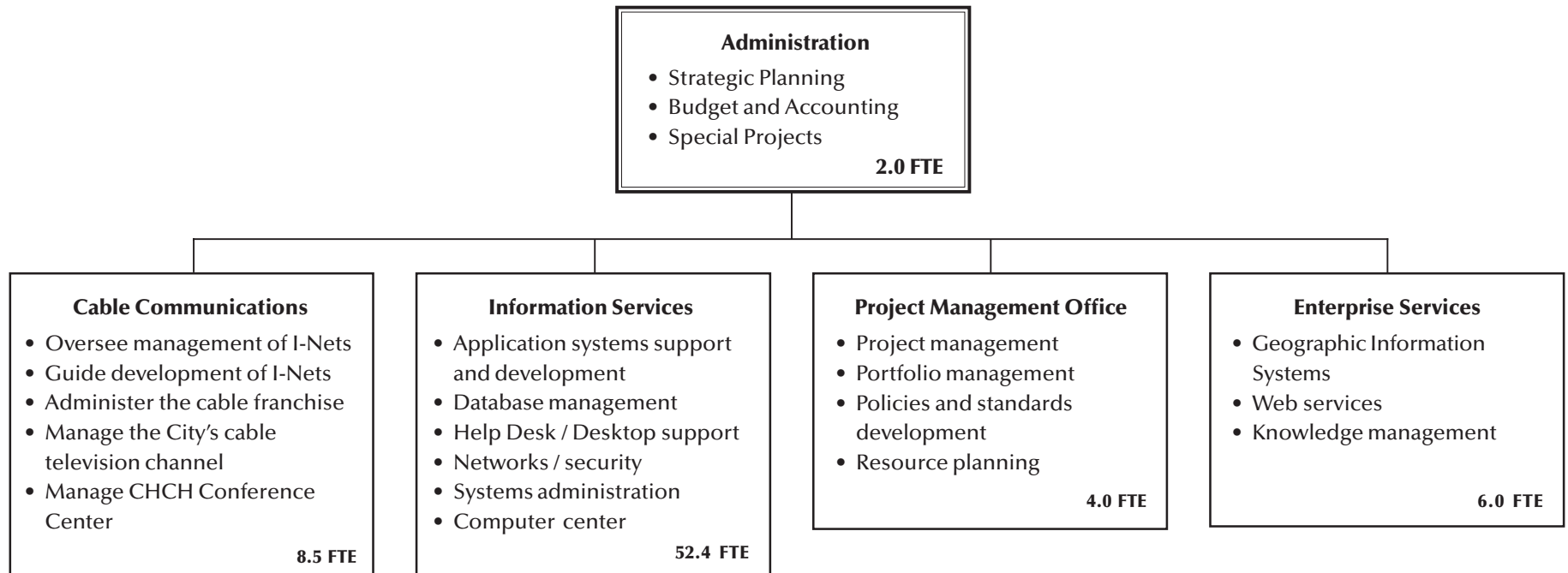
Office of Technology

Mission Statement

Demonstrate leadership, stewardship, and partnership in the use of technology throughout the City to enhance the City's effectiveness in serving the citizens of St. Paul.

Office of Technology

(Total 72.9 FTE)



Strategic Plan Accomplishments and 2005 Priorities

Major Accomplishments

Cable Communications

- Administered the cable franchise and, as part of that function, negotiated a settlement agreement valued over \$820,000 that included the cable modem issue, and Comcast's non-compliance with telephone standards for Q3, 2003. New facilities for the Designated Access Entity (currently SPNN) were also provided under the agreement at an additional value.
- Activated 31 Park and Rec sites on the HFC I-Net.
- Received and resolved 112 cable subscriber complaints.
- Processed 649 Conference Center reservations and cancellations; performed 203 audio/video set-ups and served approximately 22,000 customers.
- Produced 330 hours of live city and county meeting coverage (a 5% increase over the previous year) and 113 other programs (a 20% increase).
- Won a national video award for "Library: A Workshop for the Future" and two state video awards ("Library" and "Council Matters.")

Information Services

- Provided citywide technology management services, including: network, server and desktop support, strategic information planning and policy setting, departmental systems support and other IS consulting services. The city's technology base includes:
 - ▶ 35 local area networks (LANS) and close to 200 separate computer systems.
 - ▶ Two Web servers that process more than 1,000,000 requests per week
 - ▶ E-mail addresses for approximately 2,477 city staff.
 - ▶ Over 4,000 hardware units running more than 5,000 software applications on 200 miles of networked cable and wire
- Assessed and, where appropriate, implemented new and innovative technologies to meet City needs, reduce costs and create efficiencies including thin client hardware, mobile wireless technology, document management, e-learning, spam prevention, and office automation software options.
- Provided project management and technical expertise for applications development projects including new Computerized Maintenance Management, Loan Tracking and Management system, Web-based Complaint system, Exam Applicant and Budget system conversions, Real Estate System migration, and expansion of RMS to other law enforcement agencies.

Project Management Office

- Implemented a project portfolio tracking system and project initiation process.

Enterprise Services

- Launched new features on the city web site including Where in St. Paul mapping application and a St. Paul For Kids section.
- Established St. Paul GIS Steering Committee to facilitate city-wide GIS coordination and sharing of data, tools, and applications.

2005 Priorities

Cable Communications

- ▶ Implement use of new studio in City Hall/Courthouse.
- ▶ Complete franchise fee audit of Comcast to ensure the city is being paid the proper amount of franchise fees.
- ▶ Continue to expand use of the Institutional Network (I-Net) and facilitate city and inter-governmental communications via the I-Net. The I-Net currently serves 100 city sites and benefits approximately 1,500 city employees. The I-Net also provides access to State public safety data applications for the city and Ramsey County.
- ▶ Provide video production, meeting cable-coverage, audio-visual support and City Hall-Courthouse Conference Center reservations for the city and county.
- ▶ Act as liaison between the city and the cable company, and the city and SPNN.

Information Services

- Maintain a healthy technical environment by providing:
 - ▶ Adequate funding and support
 - ▶ Technical staff deployment and development
 - ▶ Service-based approach to meet specialized, shared and common technology needs
 - ▶ Network infrastructure upgrade, improved virus protection and security capabilities, desktop office automation software upgrade or replacement.
- Support city departments in the development and implementation of information technology projects including development of an electronic knowledge base to support citizen service delivery, expansion of technology support for inspectors and complaint tracking, and expansion of web based, Loan and RMS systems.
- Continuously look for innovative ways to deliver departmental services.

Project Management Office

- Work in partnership with department and office directors to identify and implement cost effective technology solutions to support business needs and objectives.
- Provide training and support for project management processes and best practices.
- Provide leadership and coordination of the city-wide IT project portfolio.

Enterprise Services

- Coordinate GIS use and expansion as a tool to provide improved access to information and services.
- Coordinate the city internet and intranet websites.
- Support departmental and city-wide needs for document management.

Technology

Department/Office Director: **KAREN L JOHNSON**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Adopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	7,673,408	7,527,734	5,363,083	5,676,348	5,776,348	100,000	413,265
160 FMS-REAL ESTATE MGMNT FUND	1,587,003	1,581,052					
164 INFO SERVICES INTERNAL SERVICES FND			170,000	170,000	170,000		
166 CABLE COMMUNICATIONS SPEC REV FUND	2,369,163	2,278,903	1,896,423	2,586,825	2,586,825		690,402
626 CITY-WIDE DATA PROCESSING	971,253	1,031,639	1,525,463	1,572,482	1,572,482		47,019
930 C.I.B. - PUBLIC WORKS	581,842	225,743					
Total Spending by Unit	13,182,669	12,645,071	8,954,969	10,005,655	10,105,655	100,000	1,150,686
<u>Spending By Major Object</u>							
SALARIES	5,305,171	5,270,958	4,052,001	4,277,133	4,277,133		225,132
SERVICES	3,041,552	2,909,365	2,065,473	2,021,212	2,121,212	100,000	55,739
MATERIALS AND SUPPLIES	676,998	506,184	128,472	262,331	262,331		133,859
EMPLOYER FRINGE BENEFITS	1,651,155	1,712,065	1,314,608	1,331,132	1,331,132		16,524
MISC TRANSFER CONTINGENCY ETC	1,568,883	1,576,929	1,286,192	1,918,242	1,918,242		632,050
DEBT	153,063	147,275					
STREET SEWER BRIDGE ETC IMPROVEMENT	217,253	157,010					
EQUIPMENT LAND AND BUILDINGS	568,594	365,285	108,223	195,605	195,605		87,382
Total Spending by Object	13,182,669	12,645,071	8,954,969	10,005,655	10,105,655	100,000	1,150,686
Percent Change from Previous Year		-4.1%	-29.2%	11.7%	1.0%	1.0%	12.8%
<u>Financing By Major Object</u>							
GENERAL FUND	7,673,408	7,527,734	5,363,083	5,676,348	5,776,348	100,000	413,265
SPECIAL FUND							
TAXES	1,713,212	1,684,028	1,700,000	1,690,000	1,690,000		-10,000
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE							
FEES, SALES AND SERVICES	1,717,053	1,606,581	1,609,763	1,663,307	1,663,307		53,544
ENTERPRISE AND UTILITY REVENUES							
MISCELLANEOUS REVENUE	1,680,202	1,687,458	237,123	966,000	966,000		728,877
TRANSFERS							
FUND BALANCES			45,000	10,000	10,000		-35,000
Total Financing by Object	12,783,875	12,505,801	8,954,969	10,005,655	10,105,655	100,000	1,150,686
Percent Change from Previous Year		-2.2%	-28.4%	11.7%	1.0%	1.0%	12.8%

Budget Explanation

Major Changes in Spending and Financing

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services. The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. Finally, one-time 2004 spending amounts were removed from the budget base and a spending reduction was imposed on the department's adjusted general fund budget to help control city general fund spending, and meet the third round of announced cutbacks in the State's 2005 local government aid funding.

Further adjustments were made to the Technology base budget. Specifically:

- removed one-time spending items for technology, and
- a shift of the costs of workers' compensation from the indirect allocation in the fringe benefits budget of Technology into a central pool for small offices in the general government accounts general fund budget,

Mayor's Recommendations

The Office of Technology's proposed general fund budget for 2005 is \$5,676,348, an increase of \$313,265 or 5.8% increase from the adopted 2004 budget. The 2005 proposed budget for the Office of Technology is \$4,329,307, compared to the 2004 adopted budget of \$3,591,886.

The proposed budget includes:

- the addition of funding related to replacement of the storage area network and to upgrade the network backbone,
- additional funding for a position to meet the needs for Linux administration and security services,
- additional funding related to a position for Web development,
- additional funding for staffing to support the Computerized Maintenance Management System which manages the assets of the Public Works Department, Water Utility and Parks Forestry,
- the addition of funding for staffing to handle increased desktop service demands, and
- increased funding was provided to upgrade the city's standard desktop software to MS Office.

City Council Actions

The city council adopted the Technology Department budget and recommendations as proposed by the mayor, and approved the following changes recommended by the mayor:

- rolling the one-time 2004 budget for the initial assessment and start up design work related to a 311 citizen response phone system for Saint Paul over into the 2005 budget,

The 2005 adopted budget is \$5,776,348 for the general fund, and \$4,329,307 in special funds.

Appendix

Council Action Adopting the City Property Tax Levy

SUBSTITUTE

Council File # 04-1175
Green Sheet # 3024529

RESOLUTION CITY OF SAINT PAUL, MINNESOTA

28

Presented By: Kathy Carter

Referred To: _____ Committee: _____ Date: _____

1 WHEREAS, the Mayor, pursuant to the City Charter has proposed and recommended the 2005 budgets for the City of Saint
2 Paul, and
3
4
5 WHEREAS, the proposed 2005 General and General Debt Service budgets have been reviewed and approved or adjusted by
6 the City Council, and
7
8 WHEREAS, the City is required under Laws of Minnesota 2002, Chapter 390, Sec. 37, to levy a tax at the Library Board's
9 request, which the Library Board has made, and
10
11 WHEREAS, the property tax levy needed to finance those budgets, with allowance for shrinkage, has been determined, and
12
13 WHEREAS, the Port Authority of the City of Saint Paul requested a property tax levy to finance economic development
14 budgets under laws of Minnesota, Chapters 469.053 subd 4, and 6,
15
16 NOW THEREFORE BE IT RESOLVED, the City Council in anticipation of adopting the General Fund, General Debt Service, and
17 Library Agency budgets for the fiscal year 2005, and in accordance with section 11.04 of the City Charter, does hereby
18 levy taxes on all taxable property within the Saint Paul corporate limits, to be collected in the amounts set forth below, and
19
20 BE IT FURTHER RESOLVED, the City Council directs the City Clerk to forward this resolution to the Ramsey County
21 Department of Property Records and Revenue in accordance with the applicable provisions of the City Charter and other laws,
22 and
23
24 BE IT FURTHER RESOLVED, the City Council directs the Office of Financial Services to complete and forward any state forms
25 required identifying these adopted levies;
26
27

Description	Tax Levy Payable in 2004	Tax Levy Payable in 2005	% Change
City levy for city operations and shrinkage	42,427,358	45,642,975	7.58%
City levy for Debt Service and shrinkage	10,262,898	6,653,277	-35.17%
City levy for Library Agency operations and shrinkage	9,855,007	10,318,836	4.71%
City levy for Port Authority levy per Mn. Stat. 469.053	1,382,000	1,312,175	-5.05%
	63,927,263	63,927,263	0.00%

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	Yeas	Nays	Absent
Benarav	<input checked="" type="checkbox"/>		
Bostrom	<input checked="" type="checkbox"/>		
Harris	<input checked="" type="checkbox"/>		
Helgen	<input checked="" type="checkbox"/>		
Lantry	<input checked="" type="checkbox"/>		
Montgomery	<input checked="" type="checkbox"/>		
Thune	<input checked="" type="checkbox"/>		
	7	0	

Adopted by Council: Date 12-15-2004

Adoption Certified by Council Secretary:

By: [Signature]

Approved by Mayor: Date 12-23-04

By: [Signature]

Requested by Department of:

Office of the Mayor, Financial Services Division

By: Matt Smith

Approval Recommended by Director of Financial Services

By: [Signature]

Form Approved by City Attorney:

By: [Signature]

Approved by Mayor for Submission to Council:

By: [Signature]

Council Action Adopting the City Budget (page 1)

Council File # 04-1174
Green Sheet # 3024530

RESOLUTION
CITY OF SAINT PAUL, MINNESOTA

Presented By: Kathy Lantry 29

Referred To: _____ Committee: _____ Date: _____

1 WHEREAS, the Mayor has proposed budgets for the City of Saint Paul for the fiscal year beginning January 1, 2005, in accordance with
2 the City Charter and Chapter 56 of the Administrative Code; and
3
4 WHEREAS, the City Council, after publication of the notice in the newspaper on December 7, 2004, participated in a public hearing on
5 December 14, 2004, on the Mayor's Proposed 2005 budgets, as required by the City Charter and applicable state and Federal laws; and
6
7 WHEREAS, the Council has revised the Mayor's proposed budgets as herein set forth; now therefore be it
8
9 RESOLVED, that in accordance with the procedures and requirements set forth in the City Charter and other laws applicable thereto,
10 the Council of the City of Saint Paul does hereby adopt the 2005 budgets as proposed by the Mayor with such monetary changes, additions,
11 and deletions as are hereby adopted and which, along with total budgets, are set forth on the attachments to this resolution; and be it
12
13 FURTHER RESOLVED, that the expenditures in dollars as may be made by the several offices, departments, bureaus, and agencies of
14 city government during the fiscal year 2005 shall be, and are hereby approved, and adoption of these budgets shall constitute
15 appropriations of the money amounts as set at the department budget total in the General Fund budget, the project total in the Capital
16 Improvements budget, and the fund budget total in all other cases.
17
18 FURTHER RESOLVED, that the estimated financing set forth in the 2005 adopted budgets is hereby approved; and be it
19
20 FURTHER RESOLVED, that the adoption of the 2005 budget for the Community Development Block Grant Fund (100) is a multi-year
21 budget based on estimates for a grant which has a fiscal period that differs from the City's normal budget year (January 1 through
22 December 31); the authority to implement this adopted multi-year budget commences only at the beginning of the grant period,
23 and shall extend beyond December 31, 2005, through the end of the grant period and; during the year when the grant is accepted
24 by the City Council, the budget will be amended to match the actual grant amount for the entire multi-year period; and be it
25
26 FURTHER RESOLVED, that the City Clerk is directed to publish the 2005 budget summary pursuant to Minnesota Statutes section
27 471.6965 in the format prescribed by the Office of the State Auditor; and be it
28
29 FINALLY RESOLVED, that the Director of Financial Services is hereby authorized to prepare the final 2005 Budgets in accordance
30 with the actions taken herein and to equalize, balance or set the final department revenue sources and department appropriations as
31 necessary.

	Yeas	Nays	Absent
Benanav			
Bostrom			
Harris			
Helgen			
Lantry			
Montgomery			
Thune			
	5	2	

Adopted by Council: Date 12-15-2004

Adoption Certified by Council Secretary:
By: Robert Wozniak

Approved by Mayor: Date 12/22/04
By: Randy C. Kelly
Except AS VETOED

Requested by Department of: _____
Executive Administration

By: Matt Smith

Approval Recommended by Director of Financial Services
By: Matthew Smith


Form Approved by City Attorney:
By: Risa D. Smith

Approved by Mayor for Submission to Council:
By: Matthew Smith

Prepared by the Saint Paul Office of Financial Services: (C:\Shared\Budget2005\Council\Resolution_City Budget 12 15 04.pdf 12/26/04)

Council Action Adopting the City Budget (page 2)

04-1174



CITY OF SAINT PAUL
Randy C. Kelly, Mayor

390 City Hall
15 West Kellogg Boulevard
Saint Paul, MN 55102

Telephone: 651-266-8510
Facsimile: 651-266-8513

TO: Council President Kathy Lantry
Councilmember Deborah Montgomery
Councilmember Dave Thune
Councilmember Patrick Harris
Councilmember Jay Benanav
Councilmember Lee Helgen
Councilmember Dan Bostrom

Council Research Center
DEC 22 2004

FROM: Randy C. Kelly, Mayor Randy C. Kelly

DATE: December 22, 2004

RE: Item Veto Message Concerning C.F. 04-1174
Portions of the Resolution Adopting the FY2005 Annual Budgets

I have signed C.F. 04-1174, the resolution adopting the 2005 city budgets. However, I am exercising my authority, under City Charter Section 6.09, to veto certain items within the resolution as indicated. This memorandum is my communication to you, pursuant to City Charter Section 6.08, stating my disapproval of these items and the reason therefore.

I have vetoed the additional contingent appropriation of \$100,000 to the Mayor's Office, the additional contingent appropriation of \$140,000 City Council legislative operations, and the additional appropriation of \$60,000 for City Council consultant services for these reasons:

First, the additional funding appropriated for these two offices is unnecessarily large. Given the pressure on the Police and Fire budgets that the Council has frequently cited during the budget process, identifying \$300,000 in additional resources within the budget and then allocating them solely to the Mayor and Council does not reflect a sufficient priority on public safety. Allocating all of these funds to the Mayor's Office and City Council would result in budgets for these two offices increasing by a total of 9% next year. This is a rate of budget increase much higher than any other city department, and it is not justified.

Second, the source of financing for these appropriations is troubling, as it is derived from a one-time budgetary gain due to a shift in bond principal repayment dates. Allowing even the possibility that these one-time funds could be spent in ways that are not our highest priority does not reflect sound fiscal management, particularly in light of the continuing poor condition of the state budget and the risk of additional cuts in state Local Government Aid payments next year.

Council Action Adopting the City Budget (page 3)

2005 Budget - City Council's Budget Adjustments General Fund			04-1174
Office of Financial Services Report date/time 12/17/04 3:13 PM Page 1 of 4			
	Spending Appropriations	Financing Estimates	
Mayor's Proposed Budget...			
Mayor's Budget Total	157,491,742	157,491,742	
Gap: Excess / (Shortfall)		0	
City Council Changes to the Mayor's Proposed Budget...			
Citizen Services	Reduce Marketing budget to fund 5 Officers	(249,963)	
City Council	Council Contingency	148,000	<i>Vetoed RCR 12/22/04</i>
City Council	Consultant Services Contingency	80,000	
General Government Accounts	Reduce CHCH for space changes to fund 5 officers	(76,745)	
General Government Accounts	Reduce CHCH for space changes (Info Complaint)	(48,318)	
General Government Accounts	311 Study Rollover from Adopted 2004 budget		100,000
General Government Accounts	NPPCP - new program	32,000	
General Government Accounts	NPPCP - 2.5% program increase	3,467	
General Government Accounts	Children's Collaborative	10,000	
Fire	Fire Suppression	241,840	
Human Resources	Fire Fighter test	no \$ change	
Mayor's Office	Mayor Contingency	100,000	<i>Vetoed RCR 12/22/04</i>
NHPI	Eliminate vacant clerk position	(45,761)	
NHPI	Eliminate budgeted rent increase	(7,500)	
NHPI	Shift costs to general fund from CDBG	96,922	
NHPI	Neighborhood Housing Fees		20,000
Parks and Recreation	Housing Inspection (inspector)	55,363	
Parks and Recreation	Recreation Center Hours	85,000	
Police	Reduce Parks and Recreation Fees		(8,000)
Police	Police Enforcement (officer)	326,745	
Public Works	Emergency Communications (telecommunicator)	158,211	
Public Works	Graffiti funding	(34,954)	
Public Works	Settlements		3,407
Public Works	Storm Sewer System Charge Assessment Interest Earnings		234,600
Public Works	Right of Way Assessment Interest Earning		363,200
Technology	311 Study	100,000	
Non Department Financing	Transfer in from Cultural Star 2005 interest earnings		56,875
Non Department Financing	Interest Earnings Transfer In (adjustment to correct coding)	(726,375)	
Non Department Financing	Interest Earnings on Investments (revised estimate)	87,865	
Non Department Financing	Difference between Certified LGA Amount and Preliminary Estimate	(95,595)	
Non Department Financing	Property Tax Financing	512,647	
Non Department Financing	Loss of Central Service Revenue from Water	(10,065)	
Non Department Financing	Hotel Motel Tax	103,470	
Non Department Financing	Transfer in from Cultural Star 2005 interest earnings		44,958
Non Department Financing	Transfer in from Fund #967 (Science Museum Debt Service)		259,320
To Balance			
Budget After City Council Changes	158,438,049	158,438,049	
Gap: Excess / (Shortfall)		0	

Council Action Adopting the City Budget (page 4)

2005 Budget - City Council's Budget Adjustments Special Funds, Debt and Capital Improvement Budgets			04-1174
Office of Financial Services Report date/time 12/17/04 3:13 PM Page 2 of 4			
	Spending Appropriations	Financing Estimates	
Mayor's Proposed Budget...			
Special Funds	205,417,225	205,417,225	
Debt Service Funds	55,481,876	55,481,876	
Capital Improvement Budget	74,586,000	74,586,000	
Mayor's Budget Total	335,485,101	335,485,101	
Gap: Excess / (Shortfall)		0	
City Council Changes to the Mayor's Proposed Budget...			
Capital Budget	Neighborhood: Revenues		(34,180)
Capital Budget	Neighborhood: Interest Earnings		
Capital Budget	Neighborhood: 2004 excess revenues		732,058
Capital Budget	Neighborhood: Loan Repayments		(85,975)
Capital Budget	Neighborhood: STAR program	125,967	
Capital Budget	Neighborhood: Council Contlg.: Commercial Revitalization Cityw	766,385	
Capital Budget	Neighborhood: Transfer to Debt Service Fund	(280,449)	
Capital Budget	Cultural: Revenues		(6,836)
Capital Budget	Cultural: Interest Earnings		22,633
Capital Budget	Cultural: 2004 excess revenues		132,346
Capital Budget	Cultural: Completed project balances		
Capital Budget	Cultural: STAR program	125,510	
Capital Budget	Cultural: Transfer to General Fund	22,633	
Capital Budget	RiverCentre: Revenues		(27,344)
Capital Budget	RiverCentre: 2004 excess revenues		39,200
Capital Budget	RiverCentre: Debt Service	11,856	
Capital Budget	Downtown Street Redesign MSA	(1,116,000)	
Capital Budget	Midway Parkway Reconstruction - Hamline to Snelling MSA	899,000	
Capital Budget	Hamline Avenue Improvements - Hoyt to Larpenteur MSA	217,000	
Capital Budget	Phalen Ice Arena-CIB Bonding	(50,000)	
Capital Budget	CIB project balances available (reported to Council Dec. 1)		268,821
Capital Budget	2003 R5VP project balance		50,000
Capital Budget	CIB project balances transferred to debt service	318,821	
Capital Budget	Downtown Airport Dike-CIB funding	(1,000,000)	
Capital Budget	Rec. Centers: Unsafe Playground Equipment Replacement-CIB	500,000	
Capital Budget	note: put the \$500,000 in contingency		
Capital Budget	Diseased Tree Removal on public property-CIB funding	250,000	
Capital Budget	Fire Station 22 - Design-CIB funding	30,000	
Capital Budget	note: add \$440,000 for FS 22 in tentative 2006 budget.		
Capital Budget	2005 Capital Maintenance: Como Zoo Seal Island Chiller	44,000	
Capital Budget	CIB Contingency	226,000	
Capital Budget	note: add \$1.9M for Trillium in tentative 2006 budget-CIB		
Capital Budget	Wellstone Center-CDBG	757,000	
Capital Budget	Wellstone Center-CDBG Public Improvement Contingency		317,000
Capital Budget	Wellstone Center-transfer Scheffer Design balance		50,000
Capital Budget	Wellstone Center-2005 CDBG grant		390,000
Capital Budget	Note: Proposed 2005 CIB showed \$1.464 million in CDBG funding for the Wellstone Center for 2006 and 2007. These funds will be reallocated to programs below.		
Capital Budget	Neighborhood Improvement: Home Rehab Program	400,000	400,000
Capital Budget	note: add \$800K for Nighbor Improv. Home Rehab in tentative 2006 budget.		
Capital Budget	note: add \$582K for Home Purchase and Rehab Fund in tentative 2006 budget.		
Capital Budget	Phalen Blvd 2005 Federal Grant	2,000,000	2,000,000
Capital Budget	Phalen Blvd 2005 State Bonding	4,000,000	4,000,000

List of City Council's adjustments to special funds, debt, and capital improvement budget continues on the next page

Council Action Adopting the City Budget (page 5)

04-1174

2005 Budget - City Council's Budget Adjustments Special Funds, Debt and Capital Improvement Budgets

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		Spending Appropriations	Financing Estimates
City Council Changes to the Mayor's Proposed Budget...			
City Attorney	Transfer from LIEP for Attorney	127,442	127,442
Debt	St Paul Foundation Revenue Note STAR		130,000
Debt	St Paul Foundation Revenue Note Parking Transfer In		(130,000)
Debt	Downgrade Debt Manager position	(20,000)	
Debt	Debt Interest at 4%	(125,000)	
Debt	Reduce Subsequent Year Reserve	(745,000)	
Debt	MCES Refund at \$1.1 million		100,000
Debt	CIB project balances		(4,927)
Debt	CIB project balances - cancelled projects		268,821
Debt	CIB project balances - cancelled projects, Phalen Ice Arena		50,000
Debt	STAR project balances		(33,445)
Debt	STAR 2005 Financing		(280,449)
Debt	Transfer In - Library Agency (service)		16,000
Debt	Property Tax Financing		(558,500)
Debt	Fund Balance Financing		(447,500)
Debt	Revenue Notes - Science Museum		
Debt	Transfer Out to General Fund	259,320	
Debt	2004 Cultural STAR Revenues (Ryan Lot)		114,660
Debt	2004 Cultural STAR Revenues (Franchise Fees)		30,000
Debt	2005 Ryan Lot Revenues		114,660
Fire	Reflect Revised 2005 Fire Apparatus Plan	701,500	701,500
Financial Services	Hotel Motel Taxes		
Financial Services	General Fund (marketing by RCA CVB to jointly promote RC)	90,000	70,000
Financial Services	Marketing by RCA and CVB to jointly promote RiverCentre		
Financial Services	Transfer In Capital Projects		20,000
Financial Services	Marketing by RCA CVB to jointly promote RiverCentre (other)		
Financial Services	Capital City Partnership	(75,000)	(75,000)
Financial Services	RiverCentre		
Financial Services	Convention Bureau	111,048	111,048
Financial Services	Central Services Revenue transfer to General Fund	(10,065)	(10,065)
Health	System Problems w/ Personnel	24,535	24,535
LIEP	Transfer to City Attorney for Attorney funding	127,442	127,442
LIEP	Move existing billboard fees to proper activity		(45,778)
LIEP	Move existing billboard fees to proper activity		45,778
LIEP	Increase contribution to fund balance to offset billboard revenues		(67,368)
LIEP	Increase existing billboard fees and new ones		67,368
Mayor	ServeMinnesota grant	135,500	135,500
Mayor	AmeriCorps Vista grant	55,375	55,375
Mayor	3M donation for education	10,000	10,000
Mayor	St. Paul Travelers Foundation donation	80,000	80,000
NHPI	Reduce personnel costs in CDBG	(96,922)	
NHPI	Increase demo costs in CDBG	96,922	
Parks	Dutch Elm Refuse Hauling	8,000	8,000
Parks	Dutch Elm Tree Removal	400,000	400,000

List of City Council's adjustments to special funds, debt, and capital improvement budget continues on the next page

Council Action Adopting the City Budget (page 6)

04-1174

2005 Budget - City Council's Budget Adjustments Special Funds, Debt and Capital Improvement Budgets

Office of Financial Services
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		Spending Appropriations	Financing Estimates
City Council Changes to the Mayor's Proposed Budget...			
Police	Ramsey County Intergovernmental Mobility Transfer	76,330	76,330
Police	2005 services and reimbursement Ramsey County Sheriff		
Police	New Grant Funds in 2005		
Police	Minnesota Financial Crimes Task Force	28,021	28,021
Police	Estimated Grant Funds remaining from 2004		
Police	Law Enforcement Terrorism Prevention Grant	100,000	100,000
Police	Urban Areas Strategic Initiative Grant	150,000	150,000
Police	COPS Technology Grant	98,948	98,948
Police	Disproportionate Minority Contact Grant	299,833	299,833
Police	Econ Crime Prevention Grant	10,700	10,700
Police	Homeland Security Equipment Grant	338,962	338,962
Police	NIBRS Grant (change)	25,492	25,492
Police	Value-Based Initiative Grant (change)	35,770	35,770
Police	Vietnamese Youth Education Grant (change)	7,200	7,200
Police	Youth Achievers Program Grant (change)	18,500	18,500
Police	Youth Health & Academic Enrichment Grant (change)	21,000	21,000
Police	Local Law Enforcement Block Grant IX	(258,655)	(258,655)
Police	change to reflect actual grant		
Public Works	Correct transfer form NHPI FTEs	152,350	
Public Works	Correct transfer form NHPI FTEs	(125,000)	
Public Works	Correct transfer form NHPI FTEs	(27,350)	
Public Works	Right of Way		
Public Works	Lighting Maintenance	(200,000)	
Public Works	CMMS Contingency	(48,825)	
Public Works	Salt Shed	600,000	
Public Works	Street Intersections Tree Trimming	80,000	
Public Works	Inflation Addition	3,407	
Public Works	Assessment Financing		(281,129)
Public Works	Transfer In from General Fund related to graffiti		(34,954)
Public Works	Fund Balance Financing		750,665
Budget After City Council Changes		346,274,604	346,274,604
Gap, Excess / (Shortfall)		0	

Glossary

Activity. An activity is a subunit of a fund. Each fund contains one or more activities, a specific and distinguishable budgetary unit of work or service. Activities are detailed levels of budget spending authority created to accomplish the approved objectives of the fund.

Activity Manager. Each activity manager shares in the authorities and responsibilities of the fund manager outlined below. In addition, each activity manager's responsibilities include attaining the performance objectives assigned to their activity, approving spending payments and directing the day-to-day operations of their activity.

Activity Number. A five (5)-digit number which uniquely identifies the activity. The first digit indicates the fund type while the second digit indicates the department.

Fund type:

- 0 General Fund
- 1 Internal Service Funds
- 2 Enterprise Funds
- 3 Special Revenue Funds
- 4 Special Assessment Funds
- 5 Trust and Agency Funds
- 6 Permanent Improvement Revolving Funds
- 7,9 Bond Funds (includes Capital Improvement Bond Funds)
- 8 Debt Service Funds

Department:

- 0 Administrative Units (includes: Affirmative Action, City Attorney, Citizen Service, City Council, Financial Services, Human Resources, Human Rights, Labor Relations, Licence Inspections and Environmental Protection and Mayor)
- 1 Technology and Management Services
- 2 Public Works
- 4 Police
- 5 Fire
- 6 Planning and Economic Development
- 9 General Government Accounts
- 11 Libraries (new structure)
- 31 Parks
- 32 Public Health
- 33 License Inspections and Environmental Protection
- 34 Libraries (old structure)
- 99 Debt Service

For example, Risk Watch (35115) is a special revenue fund activity in the Department of Fire and Safety Services. Similarly, accounting bureau (02020) is a general fund activity in the Public Works Department. See *Fund Number*.

Allocation. A portion of a lump-sum appropriation which is designated for expenditure by specific organizational units or for special purposes. See *Appropriation*.

Appropriation. An expenditure authorized by the city council for a specified amount, and time.

Assessed Valuation. The value that is established for real estate or other property by a government for use as a basis for levying property taxes.

Bond. A written promise to pay a specific sum of money (called the principal amount or face value) at a specified future date (called the maturity date) along with periodic interest at a specified rate.

Budget Document. The written record of the comprehensive financial plan the mayor presents to the city council for review, revision if deemed appropriate, and adoption.

Capital Allocation. Assignment of available capital (dollars) to specific uses.

Capital Expenditure. Actual spending of capital (dollars) for capital improvement projects.

Capital Improvement. The purchase or construction of durable/fixed assets. Examples include streets, bridges, parks or buildings.

Capital Improvement Budget (C.I.B.). A plan for capital expenditures (physical development of the City) to be incurred each year, over a fixed number of years, in order to meet capital needs arising from the long-term work program.

Capital Outlay. Equipment, machinery, vehicles, or furniture items included in the operating budget. See *Capital Improvement Budget*.

Capital Projects Fund. A fund established to account for all financial resources used for the construction or acquisition of major capital facilities, except those financed by special assessment, proprietary, or fiduciary funds.

CIB. Acronym for capital improvement budget.

CMMS. Acronym for Computerized Maintenance Managment System.

Debt Service Fund. A fund established to account for the financial resources used for the payment of long-term general obligation debt principal, interest, and related costs.

Division. An organizational subunit of a department in the general fund. Each department has one or more divisions, which are responsible for one or more activities.
Encumbrances. Legal commitment of appropriated funds (in the form of purchase orders or contracts) to purchase goods or services to be delivered or performed at a future date. They cease to be encumbrances when paid or when the actual liability is created.

Enterprise Fund. A fund established to account for city operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs

Glossary—Continued

(expenses, including depreciation) of providing goods and services on a continuing basis be financed or recovered primarily through user charges.

Expenditures. Total charges incurred, whether paid or unpaid, including the provision for retirement of debt not reported as a liability of the fund from which it will be retired, and capital outlays (for governmental funds and fiduciary funds, except non-expendable trust funds).

Expenses. Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges which benefit the current fiscal period (for proprietary funds and non-expendable trust funds). See *Expenditures*.

FMS, or FM-80. Reference to the City of Saint Paul's financial management computer system.

F.O.R.C.E. Acronym for focusing our resources on community empowerment. This is a unit within the Police Department dedicated to combat problems, at the neighborhood level, of street level narcotics, problem properties and disruptive behavior.

Fiduciary Fund. A fund established to account for resources held for the benefit of parties outside the government.

Financing Plan. Identifies sources of revenues that support the spending plan.

Full Time Equivalent (FTE). A personnel position which is financed for the equivalent of 80 hours per pay period, for 26.1 pay periods (a typical year), or 2,088 hours in a year. This is roughly equivalent to 40 hours per week for 52 weeks. For example, a .5 FTE would represent 20 hours per week for 52 weeks, or 40 hours per week for 26 weeks. A 1.0 FTE is a general reference to a position normally working for a year.

Fund. Each individual fund is a separate accounting entity having its own assets, liabilities, revenues and expenditures or expenses. City financial resources are allocated to, and accounted for, in individual funds based on legal, donor, or administrative restrictions or requirements. The individual funds are organized by fund type. See *Fund Type*.

Fund Balance. An equity account reflecting the excess of accumulated assets over accumulated liabilities and reserves (monies set aside for specific purposes).

Fund Manager. Fund managers are accountable to and receive authority from their department director and division manager, and ultimately from the mayor, the city council, and city residents/taxpayers. Each fund manager is responsible for correctly preparing and submitting the portion of the city's financial plan that is provided by their fund. This includes a properly completed budget request consisting of performance, spending and financing plans. Fund managers are responsible for monitoring the collection of receipts, authorizing spending payments, cash flow planning, and service delivery in accordance with the adopted plan. Fund managers are also responsible for

forecasting significant performance, spending or financing variances, determining their cause, creating a solution, and reporting such information to their department director and the director of the office of financial services. See *Performance Plan*, *Spending Plan*, and *Financing Plan*.

Fund Number. A three-digit number which uniquely identifies the fund. For example, the general fund is fund number 001, parks and recreation grant fund is 860 and the fire clothing trust fund is 736. There is no significance to the sequence of numbers. See *Activity Number*.

Fund Type. A classification of funds by similar purpose. The fund types are: governmental (general, special revenue, debt service, capital project, special assessment), proprietary (enterprise, internal service), and fiduciary (trust and agency funds). Although the city hall annex operating fund and the public works engineering fund are separate funds, they are the same fund type (internal service). See each fund type for its definition. Also see *Fund*.

GIS. Acronym for geographic based information systems.

General Fund. The fund used to account for all financial resources not specifically earmarked for other purposes. The general fund is the primary operating fund for the City of Saint Paul.

Governmental Funds. All funds other than fiduciary and proprietary funds. Includes the general fund, special revenue funds, capital projects funds, debt service funds, and special assessment funds. The measurement focus is on spending or financial flow rather than on net income. See *Fiduciary Funds* and *Proprietary Funds*.

HACA. Acronym for homestead and agricultural credit aid. See *State Aids*.

HRPRBA, or HRMS. Acronym for human resources, payroll, benefits administration. This acronym once referred to the development of the city's automated system for human resources, payroll, benefits administration.

Internal Service Fund. A fund established to account for the financing of goods or services provided by one city department to other city departments, divisions or funds on a cost-reimbursement basis.

LGA. Acronym for local government aid. See *State Aids*.

LLEBG. Acronym for local law enforcement grant, which is a federal grant program.

MSA. Acronym for municipal state aids. See *State Aids*.

Object Code. A four-digit code assigned to a specific type of receipt or expenditure. A major object code is a grouping of expenditures or receipts on the basis of the types of goods or services purchased or rendered. For example, personal services, materials,

Glossary—Continued

supplies, and equipment are major object codes.

Operating Budget. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

Operating Transfer In/Out. Inter-fund transfers are legally authorized transfers between a fund receiving revenue and a fund where resources are expended.

PED. Acronym for planning and economic development department.

Performance Plan. A fund manager's estimate of the service level desired by the mayor, city council, and residents of the city. Includes mission statement, objectives and performance indicators.

Permanent Fund. A fund established to account for the custody and administration of assets held in a trust capacity. The assets held in a trust fund must be spent or invested in accordance with the conditions of the trust. Expendable trust funds are similar to governmental funds in that the measurement focus is on spending or financial flow rather than on net income. Non-expendable trust funds are similar to proprietary funds, with the measurement focus on determination of net income. See *Agency Fund* and *Fiduciary Fund*.

P.I.R. Acronym for public improvement revolving (fund).

Proprietary Funds. Any fund which attempts to determine net income. Measurement focus is on cost of services similar to private sector for-profit organizations. This category includes enterprise and internal service funds.

Recoverable Expenditure. An expenditure made for, or on behalf of, another governmental unit, fund, or department, private individual, firm, or corporation which will, subsequently, be recovered in cash or its equivalent.

Retained Earnings. An equity account reflecting the accumulated earnings of an enterprise or internal service fund which are not reserved for any specific purpose.

Special Assessment. Charges which the local government collects from property owners to pay for specific services or capital improvement projects such as streets, sewers, etc., which benefit a particular piece of real estate.

Special Revenue Fund. A fund established to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, and capital projects) that are legally restricted to expenditures for specified functions or activities.

Spending Plan. Provides a unit or subunit of an organization with spending authority to pay for the resources required to effectively accomplish the performance plan.

STAR. Acronym for sales tax revitalization program. This is also referred to sometimes as cultural sales tax revenue.

State Aids. The following are the major types of intergovernmental revenues received by the City of St. Paul from the State of Minnesota:

Local Government Aid (LGA): Begun in 1971, this program was designed to provide indirect property tax relief through the redistribution of income tax and sales tax revenues collected at the state level to local units of government. The amount of funding received by local units of government is based on a distribution formula determined by the Minnesota State Legislature. The distribution formula addresses "need" as well as "equity". Based on this distribution formula, current state LGA appropriations are not sufficient to fully fund the program. Consequently, adjustments in the amount distributed to cities and counties are made based on percent changes to past years' amounts. The 2001 State Legislature rolled the Homestead and Agricultural Credit Aid into Local Government Aid.

Market Value Credit. In 2003, each city receives an aid reduction equal to 9.3% of the city's levy plus aid revenue base. The levy plus aid revenue base is equal to the sum of the city's property tax levy for taxes payable in 2003, plus the sum of the amounts the city was certified to receive in 2003 as local government aid, existing low-income aid, new construction low-income housing aid; and taconite aid. The aid reduction is limited to 5.25% of the city total revenues for 2003. The aid reduction is applied first to the city's LGA, and then if necessary to the market value credit.

Municipal State Aids (MSA). This program is financed by motor vehicle related taxes collected at the state level. The state gasoline tax is the largest revenue source and the dollars collected are constitutionally dedicated for expenses related to MSA routes. The revenues are redistributed back to municipalities of 5,000 or more residents to be used for construction and maintenance of their MSA designated routes.

Tax Increment District. A tax increment district is a designated geographical area where a city is undertaking redevelopment or development activity. Any increase in assessed valuation due to new development activity is captured by the district. Property taxes levied against those captured values are used to finance the public improvement costs incurred to induce the private development activity. Public improvement costs can be financed by issuing bonds or by a pay-as-you-go plan.

City of Saint Paul Budget Documents: General Description

The Mayor must propose to the City Council, by August 15 of each year, a complete financial plan for the next calendar year. After considering the Mayor's recommendations, the City Council must adopt the annual budget by December 20. The annual financial plan for the City of Saint Paul is composed of spending, financing and performance plans for three types of budgets: operating, debt service and capital improvements.

Operating Budget: The annual operating budget is a twelve-month financial plan that provides for the delivery of city services; support and planning for service delivery; routine maintenance; minor remodeling and repairs of existing structures; acquisition of vehicles, mobile, mechanical and office equipment; and other items having an estimated useful life of less than three years. The primary financing sources for the operating budget are property taxes, state aids, dedicated revenues, user charges, and grants.

The operating budget accounts for financial resources through various funds. The general fund, which is the largest of the city's operating funds, supports basic city services such as public safety and recreation. Other operating funds, commonly referred to as special funds, include internal service funds, enterprise funds, special assessment funds, special revenue funds and trust and agency funds, and support services that generally are financed by non-property tax revenues. For the majority of city funds, the modified accrual basis of accounting is used to budget and account for financial resources. Under this method, expenditures generally are recognized when incurred and revenues are recognized when they become both measurable and available. Internal service and enterprise funds use the accrual basis of accounting, however, where expenses are recognized when incurred and revenues are recognized when earned.

Debt Service Budget: The annual debt service budget provides for the payment of interest and principal on short and long term general obligation debt. It also includes reserves for a part of the following year's debt service. Primary financing sources for debt service budgets are property taxes, transfers from other funds, interest earnings, and dedicated revenues such as tax increments, special assessments to benefitted properties, and utility user fees. Debt service for revenue bonds is usually budgeted in a special fund budget.

Capital Improvement Budget: The annual capital improvement budget includes appropriations for all projects having an estimated useful life in excess of three

years (other than the acquisition of office or mechanical equipment, or minor remodeling or repairs of existing structures). Projects are financed with general obligation or revenue bonds, aids, grants, and special revenues received by the city for capital improvements, and all monies appropriated in the general fund and special fund budgets for capital projects. The capital improvement budget does not finance vehicles or mobile equipment.

Although the capital improvement budget is adopted annually, project selection and prioritization occurs on a biennial basis. A special citizen committee reviews project proposals submitted by civic organizations, neighborhood groups and city departments, and then develops project recommendations that serve at the basis for the mayor's proposed capital budget. When the biennial budget is adopted by the City, the first year becomes law, while the second year serves as a guide for the following year's appropriations. The capital improvement budget is also part of a ten-year program developed by the city's planning commission to plan for the physical development or redevelopment of city-owned land, buildings, and other improvements, as well as to induce the private development of housing and business facilities. Budget appropriations are multi-year in nature and remain until a project is either completed or canceled.

Starting with the 2004 budget, the library budget will no longer be included in this publication. This is a result of a resolution passed in 2003, to establish a separate library board. Therefore, beginning with 2004, the library budget will be published as a separate document.

Budget Structure

Budgets are requested and approved at the activity level. Activities are aggregated into divisions in the general and special operating funds. Funds and divisions are then aggregated into departments or offices. Departments manage operating (general fund and special funds) budgets, debt service budgets, and capital improvement budgets. Overall management of the general operating fund is the responsibility of the director of the office of financial services.

